

THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR
ENDING JUNE 30

1962



WASHINGTON, D.C.

1961

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U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1961

For Sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Price \$6.00 (Paper Cover)

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 1962 contains the President's recommendations for the work program and financial program of the Government for the 12 months beginning July 1, 1961, and ending June 30, 1962. It also presents comparable information for the fiscal years 1960 (actual) and 1961 (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 m96), appear the general statement of the President's financial program and an outline of his major recommendations.

Part I of the budget (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 918) 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. 919 through 976) contains a summary table on trust and deposit funds, and detailed schedules and explanatory statements on the various trust funds.

Part IV (pp. 977 through 1023) contains a limited number of special analyses of budget data supplementing 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. Other special analyses in part IV contain additional data or classifications not summarized elsewhere.

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. This main volume of the budget contains detail with respect to the District government 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 920—Operation of trust and deposit funds covered by part III.

Page 978—Coverage of the special analyses printed in part IV.

Note.—Detail in the tables of this document may not add to the totals because of rounding.

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RÉSUMÉ OF THE BUDGET

[Fiscal years. In billions]

	<i>1956 actual</i>	<i>1957 actual</i>	<i>1958 actual</i>	<i>1959 actual</i>	<i>1960 actual</i>	<i>1961 estimate¹</i>	<i>1962 estimate¹</i>
New obligational authority	\$63.2	\$70.2	\$76.3	\$81.4	\$79.6	\$82.1	\$80.9
Budget receipts	67.8	70.6	68.5	67.9	77.8	79.0	82.3
Budget expenditures	66.2	69.0	71.4	80.3	76.5	78.9	80.9
Budget surplus (+) or deficit (-)	+1.6	+1.6	-2.8	-12.4	+1.2	+.1	+1.5
Receipts from the public	77.1	82.1	81.9	81.7	95.1	99.0	103.1
Payments to the public	72.6	80.0	83.4	94.8	94.3	97.9	101.8
Excess of receipts (+) or payments (-)	+4.5	+2.1	-1.5	-13.1	+.8	+1.1	+1.3
Public debt at close of year	272.8	270.5	276.3	284.7	286.3	284.9	283.4
Balance of appropriations carried forward at end of year ..	46.0	43.9	40.1	38.8	38.8	40.4	39.4

¹ Includes amounts for proposed legislation.

Notes.—(1) 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.

(2) The totals of budget receipts and expenditures have been revised to exclude certain interfund transactions (mainly interest payments to the Treasury by Government corporations and agencies that borrow from the Treasury) which are shown both as expenditures in the totals of the affected agencies and functions, and as miscellaneous receipts of the Treasury. The deductions made reduce total budget receipts and expenditures equally and do not affect the amount of the budget surplus or deficit. For purposes of comparability, budget totals for prior years have also been adjusted to exclude these transactions. Such interfund transactions are estimated to be \$676 million in 1961 and \$667 million in 1962.

(3) The budget totals for 1961 and 1962 are not precisely comparable to those for prior years as a result of a change made by the Social Security Act Amendments of 1960. Under this law amounts equal to the receipts from the Federal Unemployment Tax Act are transferred from the budget to the unemployment trust fund and the expenditures for employment security grants and administration (financed by these receipts) are made from that trust fund. Since the same amounts are involved for both expenditures and receipts, the budget surplus is not affected.

BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

For the fiscal year 1962 I send you budget and legislative proposals which will meet the essential domestic needs of the Nation, provide for the national defense, and at the same time preserve the integrity and strength of our Federal Government's finances.

With this budget, I leave to the new administration and the Congress a progressive and workable financial plan which recognizes national priorities and which reflects my confidence in the strength of our economy now and in the years to come.

A budget surplus was achieved in the fiscal year which ended on June 30, 1960. A narrowly balanced budget is anticipated for fiscal year 1961. The recommendations in this budget provide for still another balanced budget, with a surplus, in fiscal year 1962. The achievement of balanced budgets this year and in the coming fiscal year will help foster noninflationary prosperity at home and strengthen confidence in the dollar abroad.

Despite the persistence of hardship in some local areas, economic activity continues at a high level. It is imperative for the extension of economic growth at a high and sustainable rate that the budget be kept balanced and that we act responsibly in financial matters.

For 1962 the budget estimates reflect expected gains in the national economy and provide for carrying programs forward in an efficient and orderly manner. The estimates also reflect, as in previous years, the budgetary effects of proposed changes in legislation, including the cost of certain new programs. Most of the legislative proposals have been previously recommended. I again urge their enactment.

In total and in its parts, this budget embodies a sensible and forward-looking plan of action for the Government. In brief, it provides for:

1. Increasing our own military capabilities and promoting increased strength in other free world forces;
2. Advancing activities important to economic growth and domestic welfare;
3. Continuing assistance to the less-developed nations of the world whose peoples are striving to improve their standards of living;
4. Increasing support for scientific activities in outer space;
5. Achieving savings by making desirable modifications in existing programs and by charging users the costs of special benefits received by them; and
6. Continuing present tax rates to maintain the revenues needed for a sound fiscal plan.

The policies and proposals in this budget will enable us to meet fully our national and international responsibilities and to promote real and sustainable national progress.

GENERAL BUDGET POLICY

This budget, like each of the seven which I have previously sent to the Congress, reflects the conviction that military strength and domestic advancement must be based on a sound economy, and that fiscal integrity is essential to the responsible conduct of governmental affairs. A surplus in good times, as provided in this budget, helps make up the deficits which inevitably occur during periods of recession. To ignore these principles is to undermine our strength as a Nation through deficits, unmanageable debt, and the resulting inflation and cheapening of our currency.

An 8-year effort has been made by this administration to stabilize the purchasing power of the dollar. This effort, which was a necessary undertaking in view of the heavy depreciation of the dollar's purchasing power following World War II, has had a large measure of success, but the problem of maintaining reasonable price stability will require close and continuing attention in the future.

Our national economy is strong and our national welfare continues to advance. Despite a leveling out in economic activity during the latter part of the calendar year just ended, the total market value of all goods and services produced in our country in the calendar year 1960 increased by approximately \$20 billion over the preceding year

and crossed the half-trillion-dollar mark for the first time in our history. Personal incomes increased more than 5% over 1959, the previous record high. The Economic Report will describe the trends which indicate that further substantial increases can be expected during the calendar year 1961, carrying the gross national product and personal incomes to new highs.

The budgetary outlook for the future reinforces the need for self-discipline in meeting current national demands. Over the next 10 years and beyond,

BUDGET TOTALS

[Fiscal years. In billions]	In billions		
	1960 <i>actual</i>	1961 <i>estimate</i>	1962 <i>estimate</i>
Budget receipts	\$77.8	\$79.0	\$82.3
Budget expenditures	76.5	78.9	80.9
Budget surplus (available for debt retirement)	<u>1.2</u>	<u>.1</u>	<u>1.5</u>
New obligational authority	<u>79.6</u>	<u>82.1</u>	<u>80.9</u>
Public debt at end of year	286.3	284.9	283.4

Note.—Receipts and expenditures on new basis, which eliminates interfund transactions amounting to \$0.7 billion for each of the 3 years shown.

we will be faced with the consequences of many commitments under present laws for nondefense expenditures, in addition to the heavy military burden we must continue to bear.

We can confidently expect that a growing economy will help pay for these commitments. As the labor force grows and employment expands, as business discovers new techniques of production and invests in a larger and more efficient productive base, the national output and income will grow, and with them our ability to finance needed public services. But our resources will not be unlimited. New and expanded Federal programs being urged by special groups are frequently appealing, but, added to existing commitments, they threaten to swell expenditures beyond the available resources.

The Federal Government cannot reasonably satisfy all demands at the same time. We must proceed first to meet those which are most pressing, and find economies to help pay their costs by reappraising old programs in the light of emerging priorities. We must encourage States and localities to increase further their participation in programs for meeting the needs of their citizens. And we must preserve and strengthen the environment in which individual initiative and responsibility can make their maximum contribution.

Our unsatisfactory balance of international payments provides another compelling reason for pursuing sound financial policies. The relationship between our budgetary actions and the balance of payments needs to be carefully examined to assure a minimum adverse effect. Whether the dollar will continue to enjoy high prestige and confidence in the international financial community will depend on the containment of inflation at home and on the exercise of wise restraint and selectivity in our expenditures abroad.

The need for concern about our spending abroad is not strange or surprising. It results from the recovery, profoundly desired and deliberately encouraged by our country, of the major centers of production in Western Europe and Japan following the devastation and disruption caused by war. To reflect this developing state of affairs, changes are now required in some policies established in earlier years. Therefore, I have prescribed certain actions in international transactions under direct governmental control and others are under study. Such measures, combined with proper financial prudence in the handling of domestic affairs and strong export promotion, should significantly improve our balance of payments.

In summary, if we plan wisely and allocate our resources carefully, we can have both public and private advancement. Sound fiscal policies and balanced budgets will sustain sound economic growth and, eventually, will make possible a reduced tax burden. At the same time, we can have necessary improvements in Federal programs to meet the demands of an ever-changing world. If, however, we

deliberately run the Government by credit cards, improvidently spending today at the expense of tomorrow, we will break faith with the American people and their children, and with those joined with us in freedom throughout the world.

BUDGET TOTALS—1961

Current estimates indicate a close balance in the 1961 budget. On the newly adopted basis of excluding interfund transactions, expenditures are estimated at \$78.9 billion and receipts at \$79.0 billion, resulting in a budget surplus of \$0.1 billion. The revenue estimate reflects a justifiably optimistic view as to the course of our economy, based on circumstances described in my Economic Report.

Last January, I proposed a budget for 1961 that showed a surplus of \$4.2 billion. The enactment by the Congress of unrecommended expenditures and the unwillingness of the Congress to increase postal rates reduced this prospect by approximately \$2 billion. In the meantime, lower corporate profits have materially reduced our expectation of tax collections from this source.

The small surplus of \$79 million currently estimated for 1961 takes into account an assumption that postal rates will be increased not later than April 1, 1961.

Despite the congressional increases in the budget last year, the present estimate of \$78.9 billion for 1961 expenditures is about \$900 million less than the figure of \$79.8 billion which appeared in the budget a year ago. The apparent reduction results from (1) the elimination, as announced in last year's budget, of certain interfund transactions totaling \$0.7 billion from the current estimate of expenditures and (2) the shift of employment security grants of \$0.3 billion to trust fund financing as provided by law. As explained elsewhere in this budget, these changes affect receipts as well as expenditures and do not affect the surplus.

Apart from these accounting adjustments, the increases and decreases from last year's estimate of 1961 expenditures are approximately offsetting.

Major increases from the original budget include \$766 million for Federal employee pay raises; \$554 million in losses of the postal service because rates were not increased as proposed; \$269 million for defense programs; \$188 million for health, education, and welfare activities; and \$164 million for civil space activities.

Major decreases from the original estimates include \$600 million for interest on the public debt; \$496 million for the activities of the Commodity Credit Corporation; \$311 million for veterans compensation, pensions, and readjustment benefits; \$93 million for the Export-Import Bank; and \$50 million for military assistance. In addition, a reduction of \$160 million is estimated under the proposal to reduce the postal deficit in 1961 by increasing postal rates effective April 1.

Other reductions, including a normal downward revision in the allowance for contingencies, total \$210 million.

BUDGET TOTALS—1962

For the fiscal year 1962, my recommendations provide for \$82.3 billion in budget receipts and \$80.9 billion in budget expenditures. The resulting budgetary surplus of \$1.5 billion will permit another modest payment on the public debt.

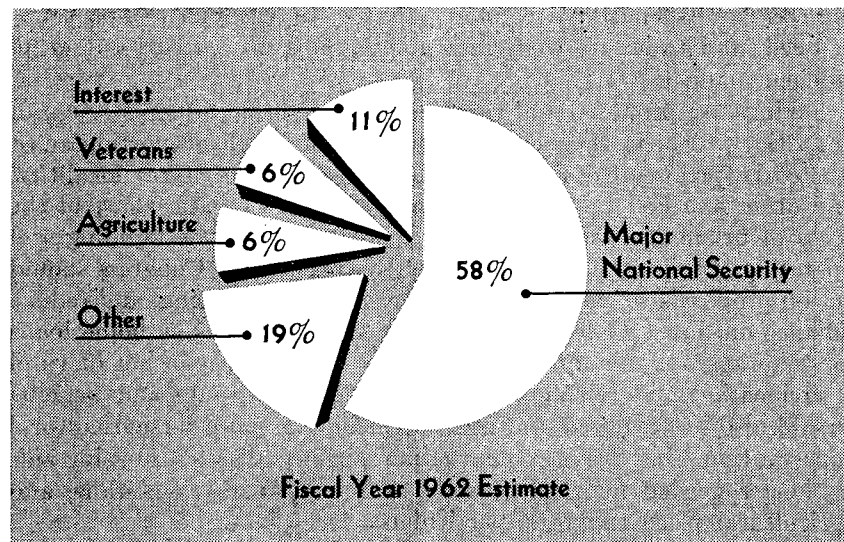
The estimate of receipts in 1962 is \$3.3 billion higher than the current estimate for 1961, and \$4.6 billion more than the receipts actually collected in 1960. Expenditures are also increasing, from a total of \$76.5 billion in 1960 to \$78.9 billion currently estimated for 1961 and \$80.9 billion proposed for 1962.

Budget expenditures.—The increase of \$1.9 billion in estimated expenditures between 1961 and 1962 reflects several factors which are worthy of special note.

First, outlays for our Nation's defenses are estimated to rise by \$1.4 billion in 1962 to a total of \$42.9 billion. Much of this increase reflects continued emphasis on certain expanding defense programs, such as Polaris submarines, the Minuteman missile, the B-70 long-range bomber, a strengthened airborne alert capability, airlift modernization, and modernization of Army equipment. These improvements are for the purpose of keeping our military might the strongest in the world.

Second, the budget provides for substantial continuing efforts to support the cause of freedom through the mutual security program.

PURPOSES OF BUDGET EXPENDITURES



Expenditures for this program in 1962 are estimated at \$3.6 billion, an increase of \$250 million over 1961.

Third, civil space vehicles and space exploration will require \$965 million in 1962, up \$195 million from 1961, and \$564 million more than in 1960. In total, the recommendations in this budget provide for \$9.4 billion in expenditures in 1962 for carrying forward research and development efforts, of which \$7.4 billion is for major national security purposes. The total represents an increase of \$770 million over 1961. As part of the overall research and development effort, increasing Federal support for basic research is being provided. This budget includes \$1 billion for the conduct and support of basic research in universities, industrial establishments, Government laboratories, and other centers of research.

Fourth, increases in expenditures are proposed for certain activities important to domestic well-being and to the future development of our Nation. These include, among others, broadening medical care for the aged; making major improvements in transportation programs; continuing development of our natural resources at a new record level of expenditures; improving our health and welfare programs; providing assistance for construction of elementary and secondary schools and college facilities; assisting areas of substantial and persistent unemployment; and fostering rural development. Expenditures in 1962 for labor, education, health, welfare, community development, transportation aids and services, and conservation of natural resources are estimated to total \$8.6 billion, an increase of \$627 million over 1961.

To some extent these recommended budget increases are offset by proposed reductions which can be effected in existing programs through improved operations and through changes in present laws. These reductions result from a continuous search for ways to restrain unnecessary expenditures in going activities, to recognize real priorities of need, and to assure that Federal programs are carried out in an efficient manner.

Savings are proposed and can be achieved through modification of activities which, in their existing form, require a disproportionate or wasteful expenditure of Federal funds. For example, States, localities, and other non-Federal interests should assume a greater share of the costs of urban renewal, local flood protection, and the building and operating of schools in federally affected areas. The Congress should act on proposals to encourage nongovernmental financing, and reduce reliance on direct Federal financing, in such activities as home loans for veterans and for military personnel, and the expansion of rural electrification and telephone systems. Certain grants and benefits should also be reviewed and revised, including those for agricultural conservation, civil airport construction, airline subsidies, housing aids no longer needed for readjustment of World War II veterans, and agricultural price supports, particularly for wheat.

Benefits to the general taxpayer are also proposed in the coming fiscal year and later years through the enactment of measures to charge users for special services which they derive from particular Government activities. Among these are proposals to eliminate the postal deficit and to provide more adequate taxes on aviation and highway fuels.

Budget receipts.—Estimated budget receipts of \$82.3 billion in 1962 are based on an outlook for higher production, employment, and income as the calendar year 1961 progresses. The accompanying table shows the sources of budget receipts for the fiscal years 1960, 1961, and 1962.

Budget Receipts:

LEGISLATIVE PROPOSALS

1. Extend corporate and excise tax rates scheduled for reduction or termination July 1, 1961.
2. Establish adequate fees and charges for special services or benefits.
3. Raise highway fuel tax to 4½ cents per gallon and repeal the pending diversion of excise taxes from the general fund.
4. Tax aviation fuels at 4½ cents per gallon and credit the receipts to the general fund.
5. Provide equitable taxation of cooperatives.
6. Revise tax on gains from sale of depreciable personal property.

BUDGET RECEIPTS

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

[Fiscal years. In billions]

Source	1960 actual	1961 estimate	1962 estimate
Individual income taxes.....	\$40.7	\$43.3	\$45.5
Corporation income taxes.....	21.5	20.4	20.9
Excise taxes.....	9.1	9.3	9.7
All other receipts.....	7.1	6.7	6.9
Total.....	78.5	79.7	83.0
Deduct interfund transactions (included in both receipts and expenditures).....	.7	.7	.7
Budget receipts.....	77.8	79.0	82.3

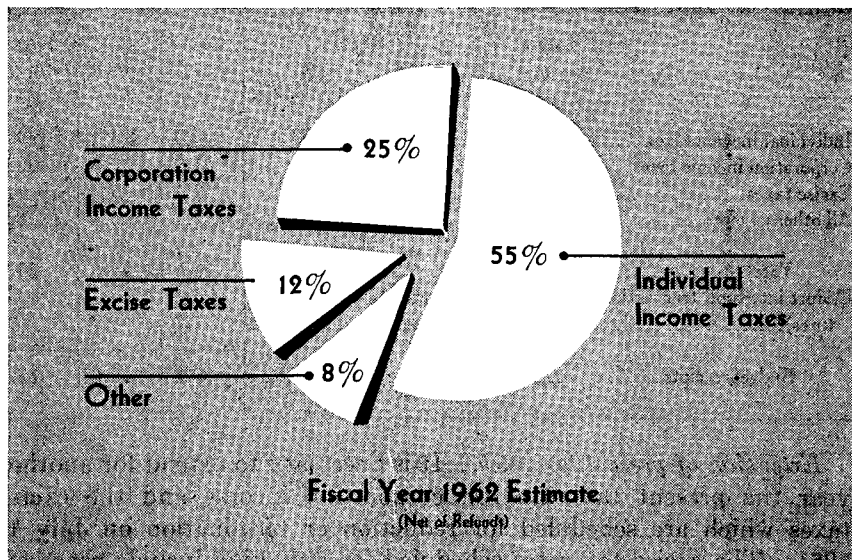
Extension of present tax rates.—It is necessary to extend for another year the present tax rates on corporation income and the excise taxes which are scheduled for reduction or termination on July 1, 1961. The excise tax rates scheduled for reduction include those on distilled spirits, beer, wines, cigarettes, passenger automobiles,

automobile parts and accessories, and transportation of persons; the 10% tax on general telephone service is scheduled to expire. Unless these tax rates are extended, the Federal Government will lose an estimated \$2.6 billion in revenues in 1962, and \$3.7 billion on a full annual basis.

Changes in fees and charges.—In the conduct of certain of its activities, the Government provides special services, sells products, and leases federally owned resources, which convey to the recipients benefits above and beyond those which accrue to the public at large. In fairness to the general taxpayer, the cost of these services or the fair market value of the products and resources which are transferred to private use should be recovered, wherever feasible, through adequate fees and charges. To this end, the Congress was requested last year to provide increased fees and charges for a number of special benefits. With the one exception of fees for non-competitive oil and gas leases no final action was taken. The Congress is again requested to raise postal rates to eliminate the postal deficit and to act favorably on the proposals for increased highway and aviation fuel taxes and for a number of other fees or charges.

The present highway fuel tax rate should be increased by one-half cent per gallon and the resulting rate of 4½ cents should be continued through 1972. This step is necessary to permit timely completion of the Interstate System. It will also make possible the repeal of the unwise diversion from the general fund to the trust fund of excise tax

SOURCES OF BUDGET RECEIPTS



receipts amounting to 5% of the manufacturers' price of passenger automobiles and automobile parts and accessories; this diversion is presently scheduled by law to begin July 1, 1961, and to continue for the fiscal years 1962 through 1964. The Congress should also raise the excise tax rate on aviation gasoline from 2 to 4½ cents per gallon; impose the same excise tax rate on jet fuels, now untaxed; and retain the receipts from these taxes in the general fund to help pay the cost of the Federal airways system. Other aspects of these recommendations are set forth in the discussion of transportation programs in this message.

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

[In millions]

Proposal	Fiscal year 1962
Increase postal rates.....	\$843
Support highway expenditures by highway use taxes:	
Repeal pending diversion of general fund excise taxes to trust fund (and increase motor fuel tax).....	810
Transfer financing of forest and public lands highways to trust fund.....	38
Charge users for share of cost of Federal airways:	
Increase taxes on aviation gasoline and retain in general fund.....	38
Tax jet fuels.....	62
Increase patent fees.....	7
Increase miscellaneous fees now below costs.....	9
Total savings.....	1,807

Public debt.—Achievement of the proposed budget surplus for 1962 will enable the Federal Government to make another modest reduction in the public debt. It is estimated that the public debt, which stood at \$286.3 billion on June 30, 1960, will decline to \$284.9 billion by the end of fiscal year 1961 and to \$283.4 billion on June 30, 1962.

If the Congress accepts the proposals in this budget, and the proposed budget surplus for fiscal year 1962 is achieved, at the end of that year the Government will have some operating leeway within the permanent debt limit of \$285 billion. Due to the seasonal pattern of tax collections, however, it will again be necessary for the Congress to provide a temporary increase in the debt limit during 1962. The present temporary debt limit of \$293 billion expires June 30, 1961.

Public Debt:**LEGISLATIVE PROPOSALS**

1. Provide temporary increase in debt limit.
2. Remove interest rate ceiling on Treasury bonds.

The Congress is again urged to remove the 4¼% statutory limitation on new issues of Treasury bonds, which remains a serious obstacle to efficient long-run management of the public debt. The marketable debt is still too heavily concentrated in

securities of relatively short maturity, with almost 80% of the total coming due within 5 years. Although interest rates have declined in recent months, the continued existence of the interest rate ceiling limits the flexibility of debt operations by the Treasury. It effectively prevents the Treasury under certain circumstances from lengthening the debt by offering longer term securities or exchanges at maturity and, more importantly, it reduces considerably the possible use of the advance refunding technique, which offers the greatest promise for lengthening the average maturity of the debt.

RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

The budget totals exclude the transactions of funds held in trust by the Federal Government as well as certain other transactions affecting the flow of money between the public and the Federal Government as a whole. Trust fund operations are an important factor in this flow and are consolidated with budget transactions to measure the Federal Government's cash receipts from and payments to the public. In this consolidation, certain transactions involving no flow of cash between the Government and the public are eliminated.

Expenditures from trust funds are financed through taxes and other receipts which are specifically designated to serve the special purposes for which the funds were established. About one-half of total trust fund transactions are accounted for by the old-age and survivors insurance system. Other important programs carried on through trust funds include the railroad retirement system, the Federal employees' retirement systems, disability insurance, unemployment compensation, grants for highway construction, purchase of insured and guaranteed mortgages, and veterans life insurance. In certain areas of Government activity, notably labor and welfare, trust fund expenditures far exceed the amounts spent through budget funds and, with the taxes levied to finance them, exert a considerable influence on the economy of the Nation.

Total receipts and expenditures of trust funds more than tripled during the decade of the fifties, and passed the \$20 billion mark in 1960. In 1962, they are both estimated to total \$25.2 billion. Total

receipts from the public in 1962 are estimated at \$103.1 billion and payments to the public at \$101.8 billion, with a resulting excess of receipts of \$1.3 billion.

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

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

[Fiscal years. In billions]

	1960 actual	1961 estimate	1962 estimate
Receipts from the public.....	\$95.1	\$99.0	\$103.1
Payments to the public.....	94.3	97.9	101.8
Excess of receipts over payments.....	+ .8	+1.1	+1.3

IMPROVEMENTS IN THE TAX SYSTEM

There is a continuing need for a reappraisal of the tax system to assure that it operates equitably and with a minimum of repressive effects on incentives to work, save, and invest. Continued close cooperation between the Treasury and the committees of the Congress is necessary to formulate sound and attainable proposals for the long-range improvement of the tax laws.

However, as the development of a comprehensive tax revision program will take time, the Congress should consider promptly this year certain changes in the tax laws to correct inequities. For example, it is again recommended that the Congress promptly consider amending the laws on taxation of cooperatives to provide for more equitable taxation by insuring that taxes are paid on the income of these businesses either by the cooperative or by its members.

It has been many years since certain of the tax laws which now apply to the Nation's various private lending institutions and to fire and casualty insurance companies became effective. The Congress should review these statutes and the tax burdens now carried by lending institutions and insurance companies to determine whether or not inequities exist and to remedy any inequitable situations which may be found. The Treasury Department has under way studies relating to the operation of the existing statutes in this area. These studies should be of assistance to the Congress in any such review.

There is a need for review of present depreciation allowances and procedures. More liberal and flexible depreciation can make a major contribution toward neutralizing the deterrent effects of high tax rates on investment. A better system of capital recovery allowances

would provide benefits to those who invest in productive plant and equipment and would encourage business expenditures for modernization and greater efficiency, thus helping to foster long-range economic growth. By bringing the allowances for American business more nearly into line with those available to many foreign producers, improved depreciation procedures would not only strengthen the competitive position of American producers, but their benefits would also accrue to American workers through increased productivity and greater job opportunity.

The depreciation rules should not be substantially liberalized, however, without accompanying remedial legislation with respect to the taxation of gains from sale of depreciable property. The legislation recommended last year to treat income on disposition of depreciable property as ordinary income to the extent of the depreciation deductions previously taken on the property is an essential first step.

IMPROVEMENTS IN GOVERNMENT ORGANIZATION

During the past 8 years major improvements have been made in the organization of the executive branch of the Government. An executive Department of Health, Education, and Welfare was established to give Cabinet status to its important programs. The organization of the Department of Defense was strengthened to bring it more closely into line with the requirements of modern warfare. A National Aeronautics and Space Administration was created to provide effective civilian leadership over appropriate parts of our national space program. The Council of Economic Advisers was reconstituted and reorganized to strengthen its internal administration and clarify its relationships with the President. Functions of coordinating governmental planning for defense mobilization and civil defense were consolidated. The establishment of the Federal Aviation Agency brought about substantial improvements in aviation programs.

Many of the numerous organizational improvements were effected by Presidential reorganization plans authorized by the Reorganization Act of 1949, which has now expired. The Congress should renew that authority and make it permanently available for all future Presidents in the effective form as originally enacted. The task of conforming Government organization to current needs is a continuing one in our ever-changing times.

Executive Office of the President.—The duties placed on the President by the Constitution and the statutes demand the most careful attention to the staffing and organization of the President's Office. While the present organization of the Executive Office of the President reflects many constructive steps taken over a period of years, much

remains to be done to improve the facilities available to the President. The first requirement for improvement is for the Congress to give the President greater flexibility in organizing his own Office to meet his great responsibilities.

Specifically, the Congress should enact legislation authorizing the President to reorganize the Executive Office of the President, including the authority to redistribute statutory functions among the units of the Office; to change the names of units and titles of officers within the Office; to make changes in the membership of statutory bodies in the Office; and, within the limits of existing laws and available appropriations, to establish new units in the Executive Office and fix the compensation of officers. Such action would insure that future Presidents will possess the latitude to design the working structure of the Presidential office as they deem necessary for the effective conduct of their duties under the Constitution and the laws. Enactment of such legislation would be a major step forward in strengthening the Office of the President for the critical tests that will surely continue to face our Nation in the years to come. These matters are obviously devoid of partisan considerations.

My experience leads me to suggest the establishment of an Office of Executive Management in the Executive Office of the President in which would be grouped the staff functions necessary to assist the President in the discharge of his managerial responsibilities. In an enterprise as large and diversified as the executive branch of the Government, there is an imperative need for effective and imaginative central management to strengthen program planning and evaluation, promote efficiency, identify and eliminate waste and duplication, and coordinate numerous interagency operations within approved policy and statutory objectives. The establishment of an Office of Executive Management is highly desirable to help the President

Improvements in Government Organization:

LEGISLATIVE PROPOSALS

1. Renew and make permanent President's authority under Government Reorganization Act.
2. Give President power to organize his Executive Office.
3. Establish a Department of Transportation.
4. Strengthen position of Chairmen of the Interstate Commerce Commission, the Federal Communications Commission, and the National Labor Relations Board.
5. Consolidate civil water resources functions.

achieve the high standards of effective management that the Congress and the people rightfully expect.

I have given much personal study to the assistance the President needs in meeting the multitude of demands placed upon him in conducting and correlating all aspects of foreign political, economic, social, and military affairs. I have reached the conclusion that serious attention should be given to providing in the President's Office an official ranking higher than Cabinet members, possibly with the title of First Secretary of the Government, to assist the President in consulting with the departments on the formulation of national security objectives, in coordinating international programs, and in representing the President at meetings with foreign officials above the rank of Foreign Minister and below the rank of Head of State.

Recognizing the personal nature of the relationship of each President to his Cabinet and staff, I am not submitting formal legislative proposals to implement these latter two suggestions, but I do commend them for earnest study.

Other improvements.—Several other organizational reforms should be considered by the Congress:

First, a Department of Transportation should be established so as to bring together at Cabinet level the presently fragmented Federal functions regarding transportation activities.

Second, legislation should be enacted to strengthen the position of the chairmen of the Interstate Commerce Commission, the Federal Communications Commission, and the National Labor Relations Board by vesting in them the executive and administrative duties of their agencies. The legislation should provide that the Chairman of the Interstate Commerce Commission be designated by the President. These steps would place these chairmen generally on a comparable basis with the chairmen of other regulatory bodies. In the case of the National Labor Relations Board, the legislation should vest all regulatory responsibilities under the National Labor Relations Act in the Board. Additionally, the responsibility of the President to control and supervise the exercise of executive functions by all Federal regulatory bodies should be clarified.

Third, action should be taken to consolidate the civil water resources functions of the Corps of Engineers of the Department of the Army, the Department of the Interior, and the responsibilities of the Federal Power Commission for river basin surveys, in order to bring about long needed improvements in the coordination of the increasingly important Federal civil water resources activities.

REVIEW OF AUTHORIZATIONS AND EXPENDITURES BY MAJOR FUNCTIONS

The remaining sections of this message discuss the budget and legislative proposals for 1962 in terms of the functions they serve. In the following table, estimated expenditures for 1962 are compared with the actual figures for 1960 and the current estimates for 1961 for each of 9 major functional categories.

The expenditure total for 1962 includes an allowance for contingencies, which is intended to provide for unforeseen developments in existing programs and for programs proposed in this budget but not itemized separately.

BUDGET EXPENDITURES

[Fiscal years. In billions]

Function	1960 actual	1961 estimate	1962 estimate
Major national security.....	\$45.6	\$45.9	\$47.4
International affairs and finance.....	1.8	2.3	2.7
Commerce, housing, and space technology.....	2.8	3.8	3.4
Agriculture and agricultural resources.....	4.8	4.9	5.1
Natural resources.....	1.7	2.0	2.1
Labor and welfare.....	4.4	4.5	4.8
Veterans services and benefits.....	5.1	5.2	5.3
Interest.....	9.3	9.0	8.6
General government.....	1.7	2.0	2.1
Allowance for contingencies.....		(¹)	.1
Total.....	77.2	79.6	81.5
Deduct interfund transactions (included in both receipts and expenditures).....	.7	.7	.7
Budget expenditures.....	76.5	78.9	80.9

¹ Less than \$50 million.

MAJOR NATIONAL SECURITY

The deterrent power of our Armed Forces and the forces of our allies is based on a carefully planned combination of nuclear retaliatory weapons systems together with worldwide deployment of ground, naval, and air forces in essential forward areas, backed up by strong ready reserves. These forces make up a collective security system for the Free World more versatile and powerful than any military alliance in world history.

*Major National Security:***BUDGET TOTALS**

[In billions]

	1960 <i>actual</i>	1961 <i>estimate</i>	1962 <i>estimate</i>
Expenditures	\$45.6	\$45.9	\$47.4
New obligational authority .	44.8	45.9	46.3

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Discontinue statutory minimum strength for Army National Guard.
2. Reestablish traditional relationship between military retirement pay and active duty pay.
3. Authorize sale of Alaska communications systems.
4. Transfer responsibility for petroleum reserves of the Navy Department to the Department of the Interior.
5. Authorize appropriate financial relief for officers removed from flying status.
6. Repeal required prior authorization for procurement of aircraft, missiles, and ships.
7. Authorize construction of linear electron accelerator at Stanford University.

Our Nation's objective in pursuing a policy of collective security is peace with justice for all peoples. However, while we strive to eliminate the fear of war among nations, we must maintain our military strength. The recommendations made in this budget provide for an increasingly strong defense posture along with a strong national economy.

Expenditures for major national security programs in fiscal year 1962 are estimated to be \$47,392 million, or \$1,462 million more than for 1961. The bulk of the increase is for the military functions of the Department of Defense, reflecting mainly evolutionary growth in our country's defense programs. Military assistance in conjunction with the efforts of our allies will continue to provide

the Free World with modern weapons and equipment, thus strengthening the collective defense. Programs of the Atomic Energy Commission continue to emphasize weapons development and production while also providing increases for research and development on peaceful applications of atomic energy. Expenditures for stockpiling and for expansion of defense production will again decline as nearly all stockpile objectives have been met.

Department of Defense—Military.—Recommended new obligational authority of \$41,840 million for the military functions of the Department of Defense for fiscal year 1962 reflects the continued policy of adapting the Defense Establishment to expected long-run requirements. Expenditures in 1962 are estimated at \$42,910 million,

MAJOR NATIONAL SECURITY

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Department of Defense—Military:				
Military functions:				
Present programs.....	\$41,215	\$41,500	\$42,879	\$41,809
Proposed retirement pay legislation.....			31	31
Military assistance.....	1,609	1,700	1,750	1,800
Atomic energy.....	2,623	2,660	2,680	2,598
Stockpiling and expansion of defense production.....	180	70	52	40
Total.....	45,627	45,930	47,392	46,278

¹ Compares with new obligational authority of \$44,761 million enacted for 1960 and \$45,912 million (including \$289 million in anticipated supplemental appropriations) estimated for 1961.

which is \$1,410 million more than the estimate for the current fiscal year.

This increase reflects, in part, certain steps recently taken to increase the readiness of our military commands. These steps can be financed in 1961 mainly within available appropriations. However, some supplemental appropriations will be required for this year and are included in this budget.

The recommendations for 1962 continue a strong posture of readiness and add to the capability of our military forces.

To take full advantage of the results of scientific and technological developments, rapid and sometimes drastic changes must continually be made in military forces and programs. Just a few years ago the United States was programming twice as much money for manned bomber systems as for strategic missile systems. The budget for the coming fiscal year, by contrast, programs more than four times as much for strategic missile systems as for manned bomber systems. Similarly, defense against ballistic missile attack took only a small part of the total capital investment in continental air defense as recently as the fiscal year 1957, whereas in the coming fiscal year it will be a substantial percentage of the total. There has been a gradual shift from guns to missiles on surface ships, and from conventional to nuclear power for submarines. For surface ships, the relative utility of nuclear or conventional power is a question that requires case by case consideration in each year's shipbuilding program. In total, there has been an increased emphasis on versatile and modern multi-

purpose military units equipped and prepared for all forms of military action—from limited emergencies to a general war.

Forces and military personnel.—To carry out basic military missions, this budget provides for a total strength in our Active Forces of 2,492,900 men and women on June 30, 1962, the same as now estimated for the end of fiscal year 1961 and 4,000 over the year-end strength originally planned for this year. A supplemental appropriation is being requested to provide for this 1961 increase, which is primarily to bring our naval forces to a greater degree of preparedness.

The Active Forces to be supported include an Army of 14 divisions and 870,000 men; a Navy of 817 active ships and 625,000 men; a Marine Corps of 3 divisions and 3 aircraft wings with 175,000 men; and an Air Force of 84 combat wings and 822,900 men.

Worldwide deployment of these forces, and of civilian employees of the Department of Defense as well, requires a considerable amount of travel to and from duty stations. The dollar limitation on travel established by the Congress in the 1961 appropriation for the Department is not sufficient to cover all essential travel costs of military and civilian personnel. Accordingly, it is recommended that this limitation be increased by \$54 million for the fiscal year 1961 and that no limitation be imposed for 1962.

If the reserve components of our Armed Forces are to serve effectively in time of war, their basic organization and objectives must conform to the changing character and missions of the Active Forces. Under modern conditions the quality and combat readiness of the reserve forces are more important than numbers. The nature of warfare has changed so drastically during the last decade that the whole concept of the roles and missions of the reserve forces must be re-evaluated.

Accordingly, the Secretary of Defense and the Joint Chiefs of Staff have been directed to make a new study of the reserve missions and requirements. This should be aimed at the objectives of efficiency, economy, and promoting administrative effectiveness. As a first step toward a more fundamental revision, this budget provides for a reduction in the number in the Army National Guard and Army Reserve paid for participation in reserve training from the present 400,000 and 300,000, respectively, to 360,000 and 270,000 by the end of fiscal year 1962. These recommended reserve personnel strengths are fully adequate to meet the needs of our national defense. The statutory minimum placed on the personnel strength of the Army National Guard in the 1961 Department of Defense Appropriation Act should not be continued. The excess strengths which have been provided by the Congress above my recommendations in the last several years are unnecessarily costing the American people over \$80 million annually and have been too long based on other than strictly military

needs. Even with the proposed lower reserve personnel strengths, the cost of pay, allowances, travel, and operation and maintenance for the military reserves will amount to well over \$1 billion in 1962.

Strategic forces.—The strategic forces provided for in this budget consist of a combination of nuclear weapons systems of land-based and carrier-based aircraft, fixed and mobile missiles of intercontinental and intermediate range, and overseas missile systems under the military command of mutual defense treaty organizations. The composite capability of these forces represents an enormous destructive potential and should deter any potential aggressor.

Up to the present time our strategic striking forces have relied in large measure on manned bombers. Manned bombers—both land-based and carrier-based—will continue to be required. However, with the advent of operational missile systems, more and more of the strategic force in the years ahead will be composed of fixed-base and mobile ballistic missiles—both land- and sea-based. The recommendations in this budget reflect this change.

By the end of fiscal year 1962, the largest part of the planned squadrons of the Atlas ballistic missile system will be operational, and a significant number of the planned Titan missiles will be in place and ready. The solid propellant Minuteman missile system is now well along in development, and the first missiles are scheduled to become operational during the calendar year 1962. Funds are requested for 5 additional Polaris submarines, making a total of 19 submarines which will have been fully funded, and for the procurement of long leadtime components of 5 more; procurement of the appropriate number of Polaris missiles to arm these submarines is also planned, as is the continued development of a much longer range version of the Polaris missile.

Thor and Jupiter intermediate range ballistic missiles, provided to our allies overseas under the military assistance portion of the mutual security program, add still another important element of strength to the strategic forces.

All production of B-52 and B-58 manned bomber aircraft is scheduled to end in the calendar year 1962. However, as indicated in my special message to the Congress last August, additional effort is being devoted to the development of the B-70 long-range bomber. Funds are included in this budget to continue work in 1962 on the airframe and engine, and on the essential subsystems.

In addition to the forces equipped uniquely for nuclear attack, the tactical fighters and missiles of the Air Force also contribute importantly to our strategic capability. Deployed overseas, with an increasing all-weather strike capability, these tactical forces can deliver megaton-class nuclear weapons to potential enemy targets.

As a further step in strengthening the strategic forces, the Navy has been authorized to increase significantly the proportion of attack aircraft aboard carriers of the 6th and 7th Fleets. This action will substantially increase the capability of those fleets to strike enemy targets.

The very diversity of our weapons systems has created an increasing need for fully integrated operational planning. To meet this need, the Secretary of Defense has established a special staff group composed of members of the services and representatives of unified commands contributing forces to our nuclear strike capability. I have recently approved the integrated strategic operational plan prepared by that group and recommended by the Secretary of Defense and the Joint Chiefs of Staff.

The advent of nuclear-armed intercontinental ballistic missiles in the hands of a potential adversary has confronted this Nation with a problem entirely new to its experience. The speed with which these weapons could be delivered against us and their tremendous destructive power make them suited to use by an enemy for surprise attack. Accordingly, this budget will continue the major effort under way during the last few years to increase the protection of our forces from surprise attack. Except for the first few squadrons of Atlas, all Atlas and Titan missiles are being deployed in hardened underground sites. All fixed-base Minuteman missiles will be so deployed. There will also be mobile squadrons of the Minuteman. The submarine Polaris system, of course, lends itself ideally to mobility and concealment and should be able to survive under all conditions.

There has also been an intensive effort to make the manned bomber force increasingly less vulnerable. Some 4 years ago the Air Force began the dispersal of these aircraft and commenced construction of special alert facilities to assure that one-third of the force could be airborne within 15 minutes of warning of an attack. Both of these programs are substantially completed. Under emergency conditions, the long-range bomber force could also use a large number of additional bases throughout the country.

As a further measure, steps have been taken to provide the heavy bomber force with an airborne alert capability. Funds are provided in this budget to continue to train crews and to acquire spare parts and other materiel so that a substantial portion of the heavy bomber force could immediately mount a 24-hours-a-day, 365-days-a-year airborne alert, should that step ever become necessary in an emergency.

Air defense forces.—The emergence of the ballistic missile threat has, of course, required a revamping of our air defense forces. The speed and destructiveness of the nuclear armed ballistic missile have placed an extremely high premium on timely warning of an attack.

Therefore, systems designed to provide such warning have been receiving urgent attention.

The ground-based Ballistic Missile Early Warning System (BMEWS), involving a cost of nearly a billion dollars, has already been largely financed. Work on this system has been greatly accelerated and is proceeding as fast as practicable. The first of the three sites is now in operation. The second site will be in operation this year, substantially increasing the coverage. The third site is planned to become operational somewhat later. When the entire system is in full operation, our air defense forces and civilian population, as well as the strategic retaliatory forces, should have 15 minutes of warning of intercontinental ballistic missile attack.

The matter of reliable warning of ballistic missile attack is of such crucial importance to the safety of the Nation, however, that a number of other approaches are also being explored. The most advanced of these is the satellite-borne missile early warning system, Midas, which is now under accelerated development. Midas is designed to detect an enemy missile attack at the time of launching; this could about double the amount of warning time available to our military forces and civilian population. Substantial funds are included in this budget to continue development of this system at a high rate.

With the increasing reliability, accuracy, payload, and sophistication of the ballistic missile, our problem of safeguarding against surprise attack will become ever more onerous. Development of an active defense against ballistic missiles is progressing. The Nike-Zeus anti-missile system is proceeding under the highest national priority, and funds for its Pacific range test facilities are included in this budget. Funds should not be committed to production until development tests are satisfactorily completed.

The entire problem of detection, tracking, and destruction of the attacking missile must be dealt with as a whole. Every avenue of research which offers any reasonable chance of success must be explored beyond the present frontiers of knowledge. That is the purpose of the group of studies now under way, which has been designated by the Department of Defense as Project Defender. Additional funds to continue this project through the coming fiscal year are also included in this budget.

As long as a manned bomber threat to this Nation exists, we shall have to maintain a reasonable degree of defense against it. The Air Force now has under way a large-scale program for improving the capability of its existing fighter interceptor force, particularly against the low level manned bomber. The Bomarc B ground-to-air-missile program has already been funded. Production is going forward, and missiles will be delivered to the air defense units over

the next few years. Additional funds are recommended to complete and modernize the Nike-Hercules ground-to-air-missile system.

The Bomarc B and Nike-Hercules, together with the early models of these missiles and the very substantial force of supersonic manned interceptors armed with air-to-air guided missiles, provide a formidable defense against manned bomber attack. To provide the detection, warning, and control for these forces, an extensive network of radars and communications lines is being maintained and modernized. Funds for additional construction and for the procurement of equipment are included in this budget.

Sea control forces.—Control of the seas is vital to the maintenance of our national security. The naval forces, which are being provided during this fiscal year with new combat ships and increased personnel, carry the primary responsibility for this important mission.

The 1962 budget provides for active naval forces consisting of 817 combatant and support ships, including 14 attack carriers, 16 attack carrier air groups, 11 carrier antisubmarine air groups, and 37 patrol and warning air squadrons.

New and modernized ships to be delivered in 1962 from prior year authorizations will enhance the combat capability of the naval forces and permit the replacement of older ships. Among the new and modernized ships to join the fleet in 1962 will be the first nuclear-powered attack aircraft carrier, the *Enterprise*; the first nuclear-powered cruiser, the *Long Beach*, armed with Talos and Terrier surface-to-air missiles; three nuclear-powered attack submarines; four Polaris submarines; and several guided missile destroyers.

The 1962 shipbuilding program provided in this budget will further improve the fleet and help offset the increasing number of over-age ships. The program consists of construction of 30 new ships and conversion of 22 others. In addition to the 5 Polaris fleet ballistic missile submarines, new ships will include 7 guided missile frigates, 3 nuclear-powered attack submarines, 6 escort vessels, and 9 amphibious, supply, and research ships. The conversion program includes 14 destroyers, 1 communications relay ship, 1 missile range instrumentation ship, and 6 conventionally powered attack submarines.

A great deal of emphasis in the 1962 shipbuilding program is on antisubmarine warfare. Progress has been made in antisubmarine warfare organization and tactics. Improvements have been made in weapons and equipment, particularly antisubmarine rockets, torpedoes, and sound detection gear. However, the fast, deep running, nuclear-powered submarine of today is exceedingly difficult to detect and attack. An increase in the capability to detect and destroy enemy submarines is needed. Additional funds are requested in this budget for research and development in this area.

Tactical forces.—The tactical forces include ground, naval, and air elements which are organized and trained to deal with cold war emergencies and limited war situations, as well as to be prepared for combat roles in the event of a general war. Recommendations in this budget will continue the modernization and improve the effectiveness of the tactical forces.

This budget provides for a further increase in procurement for the ground forces. Procurement of additional quantities of rifles and machineguns employing standard ammunition of the North Atlantic Treaty Organization will fill the high priority needs of the Army and Marine Corps forces; the M-113 armored personnel carrier will be made available for high priority active Army forces; the M-60 tank will be provided for the Army's highest priority deployed forces; and increasing quantities of new field communications equipment, vehicles, and self-propelled weapons will be produced.

The Army and Marine Corps will continue to buy a wide variety of tactical guided missiles and rockets, including initial quantities of the Pershing, a solid-propellant missile; a new lightweight shoulder-fired assault weapon; the Davy Crockett, which provides infantry units with a close range atomic support weapon; and missiles such as Hawk and Redeye for defense of field forces against air attack.

Army aircraft procurement proposed for 1962 provides for 261 new aircraft compared to 229 in the 1961 program, and includes funds for surveillance and utility planes, as well as for medium cargo helicopters.

The tactical forces of the Army are supported by the tactical air wings of the Air Force, which will also be provided with an increased capability under these budget recommendations. Funds are provided for continued procurement of F-105 supersonic all-weather fighter-bombers. These aircraft, with their low-altitude performance characteristics and large carrying capacities for both nuclear and non-nuclear weapons, will strengthen significantly the air support available to tactical ground units.

Continued modernization of our existing fleet of military airlift aircraft is needed. Although the cargo and troop transport airlift now available is generally adequate, much of the fleet is approaching obsolescence. Last year a program was started to acquire the best existing transports for the most immediate needs and also to develop a new aircraft specifically designed for cargo and transport needs. The budget includes funds to continue the orderly development of this program.

Proposed legislation.—Legislation is again recommended to make the necessary adjustments in military retirement pay so as to reestablish for all retired personnel the traditional relationship of their pay with active duty pay. This relationship was broken for those retired prior to June 1, 1958, when the 1958 Military Pay Act increased active

duty pay without a comparable increase for those on the retirement rolls. The people affected are in most cases those who have fought through two or three of our major wars. Legislation to correct this situation should no longer be delayed.

Basic long lines communications systems in Alaska which are now operated by the Army, Air Force, and the Federal Aviation Agency should be sold to private enterprise for operation and development under appropriate regulatory supervision. Legislation is recommended which will permit the sale of these Government-owned communications facilities under adequate safeguards.

The need for maintaining the relatively small naval petroleum reserves for strictly military purposes no longer exists. Legislation is therefore recommended to transfer responsibility for the administration of these petroleum reserves from the Department of the Navy to the Department of the Interior.

The need for manned aircraft, and for the pilots and other persons necessary to fly them, is declining gradually as more and more missiles enter the inventory of our operating forces. During the transitional period it will be necessary to remove from flying status a number of officers whose professional and managerial skills are still required by the services. The complete loss of flight pay which such removal now entails would represent a serious hardship to many officers who have served their country well and who believed they would qualify for flight pay as long as they maintained their flying proficiency. To help ease the transition which this group faces as a result of conversion to new weapons systems, the Congress should make provision for appropriate financial relief by reducing flight pay gradually for officers removed from flying status because of changing technology.

The provision of section 412(b) of the Military Construction Act of 1959 requiring prior congressional authorization of appropriations for the procurement of aircraft, missiles, and naval vessels is inappropriate and should be repealed. Pending its repeal, the required authorizations for 1962 should be enacted promptly so that national security planning and preparation can go forward with the least possible delay. Further, in enacting the authorizations, the Congress should allow flexibility in the administration of the Department of Defense procurement programs to meet changing threats and take advantage of technological breakthroughs.

The Capehart military family housing program has admirably served its purpose. Over the last 6 years, more than 100,000 such family units were provided at a time when they were badly needed. It is now apparent that the most urgent family housing needs of the Department of Defense have been met. However, in order to place under contract presently authorized projects and to provide for a final increment of 2,025 units in 1962, it is recommended that a 1-year extension of the existing authority be enacted.

In 1958, I recommended to the Congress a comprehensive program for reorganizing the Department of Defense. While many of these recommendations were enacted, and substantial progress has been made in implementing them, one area still needing attention is the method of providing funds for the Department. As a first step, appropriations have now been enacted on a broad category basis but with specific limitations by Service. I now recommend that the Congress, in acting upon the appropriation structure for the fiscal year 1962 for the Department of Defense, give earnest consideration to a plan which would make the necessary authorizations and appropriations to that Department to be administered by the Secretary, but with a substructure of sufficient identification which will retain for the Congress its constitutional prerogatives of raising and supporting the military forces of the United States.

North Atlantic Treaty Organization.—The evolutionary changes in warfare that have taken place over the last decade have had a profound effect on the military plans and programs of the North Atlantic Treaty Organization. These plans are again being reviewed and studied to take account of new weapons, better organization of the NATO military forces, and more direct channels of command to carry out NATO objectives effectively.

It is expected that the revised military plans for NATO will recognize the changes that have taken place. However, the menace of Communist military strength is growing. The NATO alliance remains vital to the security of the United States, no less than to the security of the other NATO allies. The United States will continue to contribute to the constructive and defensive tasks it has assumed.

Some changes in U.S. force deployments may become advisable in light of continuing studies of overall U.S. programs. Nevertheless, the United States will continue to provide a fully effective strategic deterrent force and will contribute to the forward deployed forces of NATO.

Military assistance.—U.S. military planning has long recognized the importance of allied forces in maintaining the security of the free world. Military assistance under the mutual security program helps to strengthen the forces of more than 40 nations. New obligational authority of \$1.8 billion is recommended for military assistance for 1962 to provide training and materiel for essential maintenance and modernization of forces in the countries receiving aid.

In light of the expanding scope and cost of vital military programs being borne by the United States, we cannot continue indefinitely to provide military equipment on a grant basis to nations which now have the economic and financial capability to shoulder more of the

burden of the common defense. The recent improvement in the financial position of many of our allies has highlighted the need for greater sharing of this burden.

Some of the Western European countries have now assumed full financial responsibility for equipping their own military forces, in which the United States had assisted earlier. We are confident that as full partners in the common defense all nations of the North Atlantic Treaty Organization who are able to assume this responsibility will do so. In 1962, military assistance to our Western European allies will be concentrated on selected types of new weapons and on the training required for their effective use.

This budget also reflects the continuing need to develop and maintain effective forces in other nations which are faced with serious threats of internal subversion or external aggression. Individually, and within mutual defense organizations, such as the South East Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO), these forces play vital roles in the defense of vast areas, predominantly in Asia and the Near East. Assistance to these nations will be concentrated largely on the strengthening of conventional forces. In addition to its military value, this assistance in the common defense effort contributes to the sharing of technical knowledge and strengthens the bonds of friendship and mutual respect among the nations of the Free World.

Atomic energy activities.—In 1962, expenditures by the Atomic Energy Commission are estimated to be \$2,680 million, compared with an estimated \$2,660 million in 1961. There will be increases in several program areas, but these will be largely offset by reductions elsewhere, notably in the procurement of uranium concentrates.

Expenditures for the production of nuclear weapons in 1962 will increase over 1961, while those for the development of weapons will continue at the same rate. Work will be carried forward in 1962 to improve methods for seismic detection of underground nuclear weapons tests. The Atomic Energy Commission is also cooperating with the Department of Defense in the improvement of methods for detecting high altitude tests.

In the naval reactor program, continued efforts will be made to develop longer lived nuclear fuel. The development of a nuclear ramjet engine for missiles and of nuclear powerplants for use at remote military installations will be pursued. The efforts to develop a nuclear engine for military aircraft will be continued in 1962 on one technical approach.

Peaceful uses of atomic energy.—Fundamental to progress in the peaceful uses of atomic energy is a sound and balanced program of basic research in the physical and life sciences. An important seg-

ment of this work is high energy physics. Last July, the United States began operating the alternating gradient synchrotron at the Atomic Energy Commission's Brookhaven National Laboratory on Long Island at the highest energy level ever attained anywhere in the world. During fiscal year 1962 two more high energy accelerators, at Cambridge, Mass., and Princeton, N.J., will begin operation. A high intensity accelerator is under construction at the Commission's Argonne National Laboratory near Chicago, Ill. Legislation is again proposed to authorize construction at Stanford University of a high energy linear electron accelerator which will be 2 miles long.

The development of civilian atomic power is being carried forward intensively. Expenditures of \$250 million estimated for 1962 will support major development efforts on seven reactor types, and preliminary studies and experimental work on a number of other reactor concepts. The breadth and scope of our technology in this field are unmatched in the world.

The next 18 months will see further advances toward our long-term objective of making atomic energy an alternative and economic source of power at home and abroad. The total number of major Government-owned experimental power reactors in operation will increase by 5 to a total of 10, and the number of power reactors operating in public and private utility systems will increase from 3 to 10. The 1962 budget proposes additional funds for cooperative arrangements with private and public power groups in undertaking atomic power projects which would further the objectives of the program.

Jointly with the National Aeronautics and Space Administration, the Atomic Energy Commission is pursuing Project Rover to develop a nuclear powered rocket for possible future space missions. Expenditures for this project will increase in 1962. Continued emphasis will be given to development of small, long-lived nuclear power sources for space vehicles and other special applications. With the completion of a major experimental device in 1961, expenditures for long-term development of thermonuclear power will decrease somewhat, but the research work will continue at about current levels.

Stockpiling and expansion of defense production.—Expenditures for stockpiling and expansion of defense production are estimated to decrease from \$70 million in 1961 to \$52 million in 1962, as outstanding contracts for delivery of strategic materials are progressively completed or terminated. Most of the objectives for the strategic stockpile are completed, and no new expansion programs are in prospect.

Of major concern now are the storage and maintenance of large quantities of strategic materials and the orderly disposal over a period of years of surplus materials. Efficient management is hampered because these materials are in several inventories, each subject

to different statutory requirements. Therefore, legislation is being developed to enable consolidation of the inventories of strategic materials and provide uniform procedures for disposing of surplus materials whenever disposal will not seriously disrupt markets or adversely affect our international relations.

Nonmilitary defense.—Closely related to the major national security programs are the civil defense activities of the Government. These activities are discussed with other community facilities programs in the commerce, housing, and space technology section of this message, under which the expenditures for civil and defense mobilization are classified.

INTERNATIONAL AFFAIRS AND FINANCE

The national security and prosperity of the United States under conditions of peace and freedom require us to maintain our position of world leadership. Thus we must continue to assist in developing the resources and skills needed in many parts of the non-Communist world for the common defense and for economic growth.

Since the end of World War II, military and economic programs launched by the United States have helped to make possible the reconstruction of Europe and have thwarted the advance of Communist domination in most other areas. In recent years, the focus of these efforts has been shifting increasingly to the broader and more difficult problems of helping less-developed countries maintain their independence, build the foundations of growth, and advance the welfare of their people. Accordingly, increasing emphasis is being placed on such aspects of our international programs as development loans, technical assistance, and educational exchange. Greater use of multilateral channels is being fostered.

Expenditures for international affairs and finance programs in fiscal year 1962 are estimated at \$2,712 million. The increase of \$401 million over 1961 expenditures is due mainly to a greater volume of loan disbursements by the Development Loan Fund, to the second payment of our subscription to the Inter-American Development Bank, and to the expansion of activities in Latin America and Africa.

New obligational authority of \$3,102 million is recommended for fiscal year 1962. This is a decrease of \$105 million from the amount estimated for 1961. Increases for special assistance, commodity grant programs, and the second subscription to the Inter-American Development Bank are more than offset by the nonrecurrence of the 1961 supplemental appropriation requested for the new Inter-American Social and Economic Cooperation Program.

Mutual security program.—The military portion of the mutual security program was discussed as an integral part of our national

security effort in the preceding section of this message. For the total mutual security program, this budget recommends new obligational authority of \$4,000 million for 1962, of which \$1,800 million is for military assistance, \$1,950 million for economic and technical programs, and \$250 million for contingencies.

The 1962 recommendation has been determined with consideration for our present balance of payments situation and the steps being taken to improve it. I have recently directed that the use of the funds provided for assistance abroad should emphasize the purchase of the necessary goods and services in the United States. Such foreign pro-

urement as may continue will be largely confined to less-developed countries, most of which do not increase their dollar reserves to any significant extent but tend rather to use their earnings to increase their imports.

Organization and financing of international programs.—Attention has been given constantly to the problem of improving the organization and administration of our international programs. For example, most of the recommendations of the President's Committee To Study the Military Assistance Program have already been fully or partially adopted. As required by section 604 of the Mutual Security Act of 1960, further analysis is being made of ways to improve the overall management and coordination of our various assistance programs. These studies will provide the basis for specific recommendations on organization later in the year when the detailed mutual security program for 1962 is presented to the Congress. Other studies concerning possible changes in the appropriation structure are currently under way.

In addition to possible improvements in the organization of foreign economic activities, the Congress is urged to consider means by which

International Affairs and Finance:

BUDGET TOTALS

[In billions]

	1960 actual	1961 estimate	1962 estimate
Expenditures	\$1.8	\$2.3	\$2.7
New obligational authority . .	2.7	3.2	3.1

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Provide longer term financing for economic development programs.
2. Revise eligibility requirements for countries to receive economic assistance.
3. Authorize U.S. participation in Organization for Economic Cooperation and Development.
4. Authorize payment of certain Philippine war damage claims.
5. Repeal reservation with respect to jurisdiction of World Court.

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Economic and financial assistance:				
Mutual security—economic:				
Development Loan Fund.....	\$202	\$275	\$425	\$700
Defense support.....	741	705	665	650
Special assistance.....	255	250	256	298
Technical cooperation.....	172	183	190	203
Other.....	114	112	119	99
Mutual security—contingencies.....	129	150	220	250
Subtotal, mutual security—economic and contingencies.....	1,613	1,675	1,875	2,200
Inter-American Social and Economic Cooperation Program.....			50	
Inter-American Development Bank.....	80		110	110
International Development Association.....		74	62	62
Export-Import Bank.....	-323	-100	-4	
Commodity grants for emergency relief and development abroad (title II, Public Law 480) and other.....	107	285	151	257
Subtotal, economic and financial assistance.....	1,477	1,934	2,243	2,628
Conduct of foreign affairs:				
Department of State, administration of foreign affairs.....	215	210	228	233
Proposed legislation for Philippine claims.....			49	49
Tariff Commission and other.....	4	4	3	3
Foreign information and exchange activities:				
United States Information Agency.....	113	125	138	140
Department of State, exchange of persons.....	24	37	50	48
Total.....	1,833	2,310	2,712	3,102

¹ Compares with new obligational authority of \$2,672 million enacted for 1960 and \$3,207 million (including \$666 million of anticipated supplemental appropriations) estimated for 1961.

funds can be provided through the normal budgetary process to meet the needs of more than one specific fiscal year. This applies particularly to programs of long-term economic development and technical assistance in the training of manpower and the creation of basic economic, social, and governmental institutions. The provision of longer term financing should not only enable a more effective use of aid but, in the long run, should be more economical.

Eligibility for assistance.—Legislation is again requested to allow greater flexibility in providing assistance to certain countries which

MUTUAL SECURITY PROGRAM

[Fiscal years. In millions]

Program	Budget expenditures			Recommended new obligational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Military assistance.....	\$1,609	\$1,700	\$1,750	\$1,800
Economic (including technical) assistance.....	1,484	1,525	1,655	1,950
Contingencies.....	129	150	220	250
Total, mutual security.....	3,223	3,375	3,625	14,000

¹ Compares with new obligational authority of \$3,226 million enacted for 1960 (\$1,331 million military, \$1,895 million economic and contingencies) and \$3,931 million estimated for 1961 (\$1,800 million military, \$2,131 million economic and contingencies).

are not in a position to meet the requirements of the Mutual Defense Assistance Control Act (Battle Act). Complex, time-consuming waiver procedures are now required for cases in which our own interests would be clearly fostered by the prompt extension of aid to countries endeavoring to reduce their dependence on the Soviet bloc.

Economic and financial assistance.—The efforts of less-developed countries in mobilizing their domestic resources for economic growth will have to be supplemented during the next decade by continued investment from the economically more advanced countries. This investment will have to come from four major sources.

First, an increasing share should be private capital, which could increase directly the productive capacities within these countries. Among the steps taken by the U.S. Government to foster this goal are the negotiation of investment treaties and the provision of information on investment opportunities. Efforts are also being made to use, where appropriate, existing guarantee authority. Private sources, such as foundations and other specialized groups, should also continue their substantial contributions to the overseas schools, hospitals, and churches, so important in promoting democratic society.

Second, increased investment may be expected through international organizations. In addition to the International Bank for Reconstruction and Development there are now the International Development Association and the Inter-American Development Bank. These institutions are supported by contributions from many countries. Also, the United Nations Special Fund is receiving increasing subscriptions from member countries. Further, the Congress should

authorize the United States to join the countries of Europe and Canada in the new Organization for Economic Cooperation and Development which will replace the Organization for European Economic Cooperation. The new organization will extend and invigorate the practice of consultation among its members and will help find ways to facilitate the flow of investment funds to less-developed countries.

Third, a greatly increased share of the needed investment must come from the bilateral programs of other industrialized nations. In the post-World War II era many of the other developed countries have succeeded in rebuilding their economies and have established a high rate of economic growth. In recent years they have substantially increased their gold and foreign exchange reserves. The time has come for such countries to augment materially their financing of the growth of the less-developed areas, and there is evidence of growing willingness on their part to do so. Strenuous efforts are being made to persuade our partner nations to accelerate significantly the pace at which they are taking on responsibilities for economic assistance as well as for the common defense.

Finally, common sense, goodwill, and national interest require that the U.S. Government continue substantial assistance. The needs of the less-developed countries cannot be met wholly by the efforts of private investors, international organizations, or other industrial countries.

Loans for economic development.—In 1962, the United States will pay the second installments of its subscriptions to both the International Development Association and the Inter-American Development Bank. However, successful development in many countries is dependent upon additional loans from outside sources. The Export-Import Bank expects to commit \$602 million for development loans, and this budget proposes that \$700 million be made available in 1962 to the Development Loan Fund. Both agencies now have requests for a variety of productive projects in such fields as electric power, transportation, and industrial facilities. In some countries, such as India and Pakistan, loans will be needed on a basis broader than individual projects to insure the success of development plans.

There is a pressing need to approve financing for development projects in several countries over and above the level of funds presently available to the Development Loan Fund. Accordingly, a supplemental appropriation of \$150 million for 1961 is required. This supplemental request, if approved, together with funds already appropriated for 1961, would make available the full amount requested in the 1961 budget.

Mainly because of earlier commitments, expenditures by the Development Loan Fund are estimated at \$425 million in 1962, an in-

crease of \$150 million over 1961. The Export-Import Bank plans to finance its operations without incurring net budget expenditures in 1962 by encouraging private lenders to participate in its loan programs, by using funds obtained from repayments and interest on prior loans, and by selling notes from its large portfolio.

Loans of the Development Loan Fund will continue to be made repayable largely in local currencies in order not to draw on the limited foreign exchange resources of the recipient countries.

Latin America.—A supplemental appropriation of \$500 million is recommended for 1961 for the Inter-American Social and Economic Cooperation Program which was authorized by the last Congress. This amount represents the total authorization and therefore no further appropriation will be required for 1962. These funds will be used for a broad range of projects of direct benefit to the people of Latin America in such fields as housing, education, agricultural improvements, and land utilization.

When plans become firmer, a supplemental appropriation for 1961 should be requested for earthquake reconstruction in Chile under the \$100 million authorization enacted by the last Congress. To cover interim needs a \$20 million grant from mutual security contingency funds has been made available to Chile, and surplus agricultural commodities valued at \$29 million are being shipped under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480).

Defense support and special assistance.—New obligational authority of \$650 million for 1962 is proposed for defense support, a reduction of \$25 million from 1961, and \$298 million is recommended for special assistance, an increase of \$66 million over 1961. These programs not only help maintain substantial military strength by free world countries rimming the Soviet bloc, but also include special economic programs in certain vital countries, and provide for the continuance of other special programs such as malaria eradication. The increase in special assistance funds recommended for 1962 is due principally to the growing need for aid to Africa. Other countries which have had a traditional interest in that continent may be expected to continue the constructive work started there, and their assistance, like ours, should increasingly be channeled through an expanded United Nations effort which we have proposed.

In estimating the requirements for defense support and special assistance, full account has again been taken of the substantial amount of economic assistance in the form of surplus agricultural commodities which may be programmed under Public Law 480. For 1962, the budget estimates provide for placing almost complete reliance on Public Law 480 for financing the Government programs for export of

surplus farm products, but the mutual security program will continue to finance exports which cannot readily be programed under Public Law 480. The requirement that a specified portion of mutual security funds be used to finance exports of these commodities should be eliminated.

Technical cooperation.—The scope and effectiveness of our technical assistance activities have been expanding, and this trend may be expected to continue. Experience has shown that improved human resources within a country are just as vital to development as capital assistance from without. New obligational authority of \$203 million is requested for 1962 for technical cooperation programs, compared with \$184 million enacted for 1961. Part of the increase is for a larger contribution to the United Nations Special Fund and United Nations technical assistance programs to support the continuing expansion of their work which has been made possible by larger contributions from other countries.

Contingency fund and other assistance.—Events of the past year have reemphasized the need for a fund to provide the President with the flexibility to meet international contingencies which cannot be foreseen in the budget. The situation in Africa continues fluid, and major emergency requirements are possible in other areas as well. To provide for such contingencies new obligational authority of \$250 million is recommended under the mutual security program for 1962, about the same as provided for 1961. This is the minimum amount required for the coming year consonant with the responsibilities of the President.

Funds are also authorized under the Mutual Security Act for administration and for contributions to specialized programs such as those for refugees, Atoms for Peace, and children's welfare. For these purposes, new obligational authority of \$99 million for 1962 is recommended. This amount is \$6 million higher than available for 1961, due mainly to expanding administrative needs in Africa and Latin America.

Conduct of foreign affairs.—In 1962, the Department of State plans to expand further its activities in three important areas of its work. The number of diplomatic and consular posts in Africa is expected to increase from 36 in 1960 to 49 by the end of 1962. A Disarmament Administration has been established within the Department of State, and expansion of this activity is proposed. The Department will also intensify its efforts to increase U.S. exports, complementing efforts of the Department of Commerce.

During the calendar year 1960, there were 17 countries in Africa which gained their independence. Official representation with these new governments must be established as early as possible and preparation must be made for representation in other countries soon to be-

come independent. Because of the large number of new nations, a supplemental appropriation for 1961 is requested to cover costs of establishing new diplomatic and consular posts in Africa and raising certain existing consulates to embassy status.

Legislation previously recommended to authorize payment of certain war damage claims of the Philippine Government should be enacted at an early date. The Congress should also act promptly to remove the existing reservation on acceptance by the United States of jurisdiction of the International Court of Justice (the World Court).

Foreign information and exchange activities.—Substantial increases have been recommended in the 1962 budget for exchange programs and the programs of the United States Information Agency in Latin America and Africa, made possible, in part, by reductions in activities in Western Europe. It is essential that these activities be stepped up in these areas to the extent of our ability to do so effectively. The 1962 budget recognizes this need. However, if the developing situation indicates both a further need for additional resources and an ability effectively to utilize them, we should stand ready to expand further these efforts. In Africa, 20 new information centers requiring sizable initial costs will be put into operation in 1961 and 1962, mostly in the newly independent countries. In Latin America, special efforts will continue toward expanding and strengthening activities of the binational cultural centers. Construction of new, more powerful radio facilities for worldwide broadcasting is under way in North Carolina, with completion expected in December 1962. Initial activities are under way toward the construction of a radio facility in Liberia. In 1962, further improvement of facilities of the Voice of America abroad is proposed by quintupling the transmitter power in the United Kingdom and by procurement of a transportable radio relay station to meet special needs on short notice.

The budget also provides for an expansion of cultural presentation activities and exhibits at international fairs abroad. Funds for this purpose are included in the estimates for the United States Information Agency instead of being appropriated to the President as in previous years. The trade mission segment of the program is included in the estimates for the Department of Commerce.

Activities under our cultural exchange agreement with the Soviet Union continue to progress mainly under private auspices. There are plans to exchange three Government-sponsored exhibits beginning this spring, each of which will be shown in several cities. A supplemental appropriation is proposed for 1961 to take advantage of this opportunity to demonstrate American achievements to a wide segment of the Russian people.

Further expansion in the programs of the Department of State for the exchange of persons is proposed in 1962, particularly in Africa. Continuing support of workshops and foreign university chairs in

American studies, as well as assistance to American-sponsored schools abroad, is planned. An increase in the Department's new program of cultural and educational development abroad will permit many new contacts between foreign and American universities. The 1962 estimates include funds for the continued development of the Hawaii Center for Cultural and Technical Interchange between East and West.

COMMERCE, HOUSING, AND SPACE TECHNOLOGY

The Federal Government provides a wide variety of aids to transportation, operates the postal service, fosters local and private initiative in housing and urban renewal, provides financial and other aids to small businesses and to areas suffering from substantial and persistent unemployment, and helps finance civil defense preparations. Expenditures for many of these and other commerce and housing programs will continue to increase as workloads rise and past commitments for construction and expansion fall due. Moreover, the Government's outer space activities are requiring substantially increased expenditures. Nevertheless, the total expenditures of \$3.4 billion estimated for the fiscal year 1962 for commerce, housing, and space technology are \$413 million less than the expenditures now estimated for 1961, primarily because legislation is proposed to increase postal rates and thus eliminate the postal deficit financed from the general fund.

Space exploration and flight technology.—Civil space activities being carried forward under the National Aeronautics and Space Administration include: (1) the development of larger and improved space vehicles, new types of propulsion and equipment, and a wide range of necessary supporting research and development; (2) the development of systems of meteorological and communications satellites; and (3) the search for new knowledge about the universe through unmanned, and eventually manned, space exploration. The NASA also carries on research related to new and improved types of aircraft and missiles, chiefly to support programs of the military services.

Expenditures for civil space programs are estimated at \$965 million during fiscal year 1962, which is \$195 million more than in 1961 and \$564 million more than in 1960. Appropriations of \$1,110 million for 1962, and supplemental appropriations of \$50 million for 1961, are recommended in this budget. Legislation is being proposed to authorize the appropriations required for 1962 and to provide permanent authorization for later years. In addition, amendments to the National Aeronautics and Space Act of 1958 are again being proposed to improve the organization and management of the space programs.

We have just cause to be proud of the accomplishments of our space programs to date and can look forward with confidence to future achievements which will succeed in extending ever further the horizons of our knowledge.

The first attempts to develop communications systems have met with outstanding success with both the Echo I passive communications satellite, which has reflected signals between widely distant stations on the ground, and the Courier active communications satellite of the Department of Defense, which has stored and relayed messages transmitted to it from the ground. We are now ready, therefore, to take the first steps leading to a practical satellite communications system for commercial use. While the special nature of space operations makes it necessary and proper for the Government to take the lead in advancing the needed research and development of satellites for commercial communications use and to conduct the launchings, private industry should participate in the development phase and should be aggressively encouraged to assume the costs of the establishment

Commerce, Housing, and Space Technology:

BUDGET TOTALS

[In billions]

	1960 <i>actual</i>	1961 <i>estimate</i>	1962 <i>estimate</i>
Expenditures.....	\$2.8	\$3.8	\$3.4
New obligational authority...	3.8	4.6	4.0

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Provide permanent authorization for space programs.
2. Strengthen organization and management of space programs.
3. Modify program of grants for airport construction.
4. Incorporate the Washington, D.C., airports.
5. Make domestic trunk airlines ineligible for future subsidy.
6. Increase aviation gasoline tax to 4½ cents, tax jet fuels, and credit receipts to general fund.
7. Provide flexible interest rates on Government ship mortgage loans.
8. Provide for reimbursement by Panama Canal Company for various costs borne by the U.S. Treasury.
9. Raise highway fuel tax to 4½ cents and repeal pending diversion of excise taxes.
10. Finance forest and public lands highways from highway trust fund.
11. Increase postal rates.
12. Provide permanent authority for major housing programs.
13. Increase reserves of Federal Savings and Loan Insurance Corporation.
14. Revise ceilings on interest rates on veterans, military, and rental housing loans.
15. Extend direct housing loans for Korean conflict veterans but terminate these readjustment benefits for World War II veterans.
16. Authorize loans and grants to assist areas with chronic unemployment.
17. Improve antitrust legislation.
18. Strengthen programs for fallout protection.

COMMERCE, HOUSING, AND SPACE TECHNOLOGY

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recom- mended new obli- gational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Space exploration and flight technology	\$401	\$770	\$965	\$1,110
Promotion of aviation:				
Federal Aviation Agency.....	508	640	730	686
Civil Aeronautics Board.....	60	87	82	84
Promotion of water transportation:				
Department of Commerce.....	269	279	338	293
Coast Guard.....	238	262	272	296
Panama Canal Company.....	(¹)	16	10	
Provision of highways	38	39	(¹) (²)	(²)
Postal service:				
Public service costs.....	37	49	63	63
Postal deficit under present law.....	488	897	843	843
Proposed rate revisions.....		-160	-843	-843
Community development and facilities:				
Urban Renewal Administration.....	108	159	208	310
Other.....	22	25	31	4
Public housing programs	134	153	170	183
Other aids to housing:				
Federal Savings and Loan Insurance Corporation:				
Present program.....	-20	-35	-64	
Proposed premium increase.....			-164	
Federal Housing Administration.....	-53	3	21	53
Veterans housing loans:				
Present program.....	206	100	115	150
Proposed limitation on eligibility.....			-30	
Federal National Mortgage Association.....	-30	113	75	285
College housing loans.....	201	172	200	100
Farm housing loans and other.....	-25	-39	26	12
Other aids to business:				
Small Business Administration.....	63	68	94	24
Proposed area assistance legislation.....			10	83
Other.....	33	56	58	71
Regulation of commerce and finance	58	67	74	73
Civil and defense mobilization	46	50	81	104
Disaster loans and relief	-1	14	7	9
Total	2,782	3,784	3,371	³ 3,993

¹ Less than one-half million dollars.² Reflects proposed financing of Federal-aid highways in national forests and public lands from highway trust fund.³ Compares with new obligational authority of \$3,784 million enacted for 1960 and \$4,612 million (including \$203 million of anticipated supplemental appropriations) estimated for 1961.

and operation of the commercial system. The recommendations in the 1962 budget, including a supplemental estimate for 1961, provide for moving ahead rapidly with the development of an active communications satellite system for commercial use, and anticipate that private concerns will provide \$10 million in 1962 in support of the program.

In the field of meteorology we have also achieved success with the Tiros I and Tiros II satellites. The 1962 recommendations provide for further experiments with more advanced Tiros and Nimbus satellites, which may provide the basis for an operational system for weather forecasting and research.

In the program for manned space flight, the reliability of complex booster, capsule, escape, and life-support components of the Mercury system is now being tested to assure a safe manned ballistic flight into space, and hopefully a manned orbital flight, in calendar year 1961. Further testing and experimentation will be necessary to establish whether there are any valid scientific reasons for extending manned space flight beyond the Mercury program.

In unmanned space exploration, the scientific information received from our earth satellites and space probes has taught us a great deal about the earth and surrounding space. In the near future, the first launching under the Ranger unmanned lunar exploration program will take place. This program will eventually include the increasingly complex Surveyor and Prospector series. Investigations in the vicinity of the planets Mars and Venus are planned under Project Mariner with initial launchings scheduled for 1962. Large earth-orbiting astronomical and geophysical observatories are also planned as successors to our present scientific satellites.

The success of many of the advanced projects planned for 1962 and future years will depend on the success of the new and powerful Centaur and Saturn launch vehicles. Steady progress has been made on these boosters, which use proven liquid propellant in the lower stages and advanced liquid hydrogen propellant in the upper stages. The weight-lifting capability of the Saturn launch vehicle will surpass any currently known to exist.

Transportation and communication.—Few segments of our economic system are more essential to economic growth and national defense than an adequate and efficient transportation and communication network. This budget reflects important actions under way to modernize Federal transportation and communication programs. As a basis for future legislation, the Congress also has before it a comprehensive study of our Nation's transportation system completed last year by the Secretary of Commerce.

Aviation.—The expanded program to improve air traffic control and navigation services, begun in 1957, is advancing rapidly under the direction of the Federal Aviation Agency. Over this period

budget expenditures for the promotion of civil aviation have risen from \$219 million to an estimated \$811 million for 1962. Large numbers of radars and instrument landing aids, as well as many new navigation aids and other airway facilities, have been placed in operation. Substantial progress has been made in achieving joint use of facilities for air defense and air traffic management purposes. The improvements being provided and those now under active development by the Federal Aviation Agency will help assure accommodation of a growing volume of air traffic with maximum safety and efficiency.

The continuing expansion of the modernization effort will cause expenditures of the Federal Aviation Agency to rise by \$90 million to an estimated \$730 million in 1962. New obligational authority of \$686 million is being requested, primarily for procurement of additional equipment, for operating the airways system, and for conducting research and development of new equipment and techniques.

New legislation is recommended to authorize appropriations for continuing Federal grants-in-aid for airport construction beyond 1961. In this legislation, the present method of providing new obligational authority by contract authorization in substantive legislation should be changed to appropriations which are subject to the normal executive and congressional review process, but still provide for adequate advance planning by localities. For 1962, this budget includes recommended appropriations of \$40 million, which is \$23 million less than the presently authorized level. The reduction reflects the sound policy that the level should progressively be reduced and that, after a reasonable transition period, users and benefiting communities should assume full responsibility for the construction of airports, which should be largely self-financed.

Legislation is again recommended to establish a Federal corporation to operate the Washington National and Dulles International Airports in the Washington, D.C., metropolitan area. This arrangement will provide greater management flexibility to meet changing requirements and permit more business-like operations.

Subsidies to local-service airlines, including intra-Alaska operations and helicopter services in Chicago, Los Angeles, and New York, continue to be excessive. These Federal payments currently average about \$12 per passenger-trip for all trips of local-service carriers. The reduction in subsidy expenditures of the Civil Aeronautics Board from \$87 million in 1961 to \$82 million in 1962 reflects the large non-recurring payments in 1961 to reduce the backlog of unpaid subsidies from prior years rather than any reduction in accruing subsidies. According to current Board estimates, subsidies will rise to a peak in fiscal year 1963 and will remain above \$80 million through 1966. Strong demands for additional services and for new routes to smaller communities could cause further increases in subsidies because the potential traffic is inadequate to pay the full costs of the services.

The dependence of these local-service carriers on the Federal Government should be reduced. Toward this end positive action is needed from both the Civil Aeronautics Board and the Congress. The Board should discontinue the least essential routes and stops in accordance with its use-it-or-lose-it policy, and should also develop other means of limiting Federal support. The Congress should review the basic promotional policy of the Federal Aviation Act, giving special attention to the question of whether the national interest justifies continuing substantial Federal payments to sustain deficit operations for service to points with very limited traffic.

Domestic trunk airlines, now self-supporting, provide more passenger miles of transportation than any other common carriers. In view of this evidence of the industry's growing maturity, the Congress should enact legislation to make trunk lines ineligible for subsidies after a period of subsidy-free operations. This will remove a potential burden on Federal resources.

Airway user charges.—The civilian users of the Federal airways system enjoy substantial benefits from the large and growing Government outlays for improved traffic control and navigation services. Federal costs for operating and improving the airways system, excluding airport grants and weather and other indirect services, now approach \$600 million a year. It is wholly appropriate that civilian users begin to assume a more reasonable share of these costs, most of which are now borne by the general taxpayer.

To achieve this purpose, it is again recommended that the present tax on aviation gasoline be increased from 2 to 4½ cents per gallon and that the 4½-cent tax rate be extended to jet fuels, which are now tax free. In addition, receipts from the existing and proposed aviation gasoline taxes should be placed in the general fund rather than transferred to the highway trust fund as at present. There is no sound reason for using these taxes to finance highway construction. The airlines should be assured that these tax increases may be reflected promptly in fare adjustments.

Promotion of water transportation.—The steadily rising cost of operating U.S. merchant ships is seriously hampering our efforts to achieve a healthy, competitive merchant marine industry. Net expenditures by the Department of Commerce, chiefly the Maritime Administration, in 1962 are estimated at \$338 million, up from \$279 million in 1961. Expenditures for replacement of war-built cargo ships are estimated to rise by \$23 million, and outlays for operating subsidies are expected to be \$32 million more than in 1961.

In order to assist the shipping industry to achieve lower costs and a stronger competitive position, the Government has recently initiated a new research and development program. A primary objective

of this program is to make available the new equipment necessary to mechanize shipboard operations along the lines already well established in shoreside industries. The full cooperation of Government, industry, and labor will be required to assure the success of this program. Established practices and legislative policies must be reassessed, and attention must be focused on measures most likely to enhance the competitive position of U.S. merchantmen in international trade. If the United States is to maintain its position as a maritime nation, if the industry is to be reasonably profitable and less dependent upon Government aid, and if maritime employment is to be stable and wages high, continuous bold innovations are necessary.

It is again requested that the inflexible $3\frac{1}{2}\%$ interest rate on ship mortgage loans made by the Maritime Administration be replaced by authority to charge the Government's full cost for such loans.

Expenditures by the Coast Guard are estimated at \$272 million in 1962, which is \$10 million more than in 1961. This increase reflects the operation of new loran stations, higher repair and maintenance costs, modernization of facilities, and replacement of equipment, such as patrol vessels, rescue helicopters, and aids to navigation.

Construction will continue on the Balboa Bridge across the Panama Canal. Widening of the canal from 300 to 500 feet in the area of the Continental Divide will also continue, in order to accommodate increased ship traffic. As a result of some increase in toll revenues and some decrease in capital outlays, budget expenditures of the Panama Canal Company in 1962 will be \$6 million less than in 1961. The Company should be authorized to reimburse the U.S. Treasury for various costs associated with its operations which are not now recovered, including the increased annuity payable to the Republic of Panama in accordance with the treaty of 1955, and legislation to this end is proposed.

Following extensive study, I have concluded that the commercial activities of the Panama Steamship Line should be discontinued and the Board of Directors of the Panama Canal Company has been requested to take appropriate steps to do so. Commercial shippers now using the Panama Line have been notified of this action, and complete cessation of commercial activities of the Line is to be accomplished by February 10, 1961. Thereafter, the activities of the Line should be confined solely to the transportation of passengers and freight for the account of the Panama Canal Company and the Canal Zone Government. This action will undoubtedly require a reappraisal of the Line's operations, including a review of the need for supplying Company-owned shipping services to the Panama Canal Company from the continental United States, in the light of national maritime considerations and established Government policy to avoid undue competition with private enterprise.

Highways.—The Interstate Highway System has progressed considerably since the enactment of the Highway Act of 1956, with almost 10,000 miles now open to traffic. Active work is under way on another 14,600 miles, of which approximately 1,600 miles are expected to be open to traffic by the end of calendar year 1961. To continue this progress and assure timely completion of the Interstate System, two important legislative actions are required. The highway fuel tax should be increased to 4½ cents per gallon, as previously recommended, and the rate should be continued at this level through 1972, instead of reverting to 3 cents on July 1, 1961, as provided by present law. The unwise diversion of automotive excise taxes from the general fund to the highway trust fund, also scheduled for July 1, 1961, should be rescinded.

Adoption of these recommendations will make it possible to complete the Interstate System in 1973 to meet the traffic needs for which it is designed. The enactment of my previous recommendations to (1) transfer financing of forest and public lands highways, which for the most part are components of the Federal-aid systems, from the general fund to the highway trust fund and (2) retain the receipts from aviation gas taxes in the general fund, will not extend this planned completion date. Under the proposed program, Federal payments from the trust fund for highways in fiscal year 1962 are estimated at \$3,029 million, up from \$2,868 million in 1961.

The Secretary of Commerce, in a report submitted to the Congress this month, is presenting a current estimate of \$37 billion as the total Federal cost of the Interstate System. The estimated construction costs of this 41,000-mile system are about \$1 billion less than in the 1958 estimate, but the new total includes the cost of highway planning and administration not previously included.

Postal service.—During recent years, the Post Office Department has been conducting a large-scale modernization program to improve the delivery of mail and to reduce handling costs per unit. For example, a new system of mail transportation and distribution is now providing overnight delivery of letter mail within all principal metropolitan areas. Modern mail processing systems with electronic and mechanical equipment developed under the direction of the Department are already in operation in 17 major postal facilities, and similar installations will soon be in use in 48 others.

While the modernization program has increased the efficiency of postal operations and will contribute to savings in future costs, it cannot materially reduce the enormous postal deficit. In fiscal year 1962 this deficit is estimated at \$843 million, after deduction of the \$63 million estimated cost of services benefiting the public at large computed in accordance with the principles used by the Congress in previous years. The deficit is largely the result of the

enactment by the Congress in the postwar years of postal pay increases without corresponding rate increases.

In the Postal Policy Act of 1958, the Congress established the policy that postal rates should be kept high enough to recover postal expenses except for the cost of certain public services as fixed by appropriation acts. In accordance with this policy, rate increases adequate to cover such expenses were proposed to the Congress in 1959 and again in 1960. No rate legislation was enacted in either year. With record postal deficits in prospect for the current fiscal year and for 1962, rate increases must be provided promptly to achieve a self-supporting postal service. Accordingly, I strongly urge that additional revenue of \$843 million be provided for the fiscal year 1962 and that the higher rates be made effective by April 1, 1961, in order to reduce the postal deficit for the fiscal year 1961. Such action is necessary to eliminate the drain upon the Treasury of this mounting deficit for which there is no justification in law or in equity.

Housing and community development.—During the past decade, housing construction and improvement have gone forward at the highest level in history. The housing shortages of the postwar period have been largely met, and the housing conditions of the great bulk of the population improved. At the same time, major new governmental and private programs have begun to reverse the blight and deterioration afflicting our urban areas. Thus, a solid base has been laid for greater progress in the decade of the sixties.

In the future, as in the past, the best results will be obtained by emphasizing leadership and financial participation by private industry and by local and State public agencies. Federal assistance can be most effective, most consistent with our free institutions, and least costly to the taxpayers if it emphasizes the supplementary action needed to help overcome obstacles to private and local accomplishment.

The major needs for the immediate future can best be met by assuring private groups and local governments of the continuing availability of existing Federal programs. Unfortunately, at the present time most housing programs require legislative action at frequent intervals merely to continue present operations. These programs are no longer experimental. Their continued availability should not depend upon the enactment of legislation which also often includes controversial changes. Rather, the major existing housing programs, like most other Federal programs, should be authorized permanently, subject only to normal annual budgetary review by the executive branch and the Congress.

Urban renewal.—The nationwide program to rebuild and rehabilitate our cities continues to grow. By the close of the current fiscal year, an estimated 68 projects in 50 cities will be completed, another 577 projects will be under way, and planning for 310 more will be in process.

These 955 projects will ultimately have required a total of almost \$2 billion in Federal grants to pay two-thirds of the net cost. If present trends continue, approximately the same amount may also be needed for Federal purchases of mortgages to finance construction of housing connected with the same projects. This Federal aid will generate much greater private and local investment and will result in substantial increases in property values and in tax revenues to local public agencies.

This vital program should move forward on a basis which gives adequate assurance to local communities of continuing Federal assistance and also places proper emphasis on local participation. Accordingly, permanent authority should replace the present annual statutory limitations on Federal grants, with annual amounts provided through the normal appropriation process. Further, the local share in project costs should be increased from one-third to one-half to reflect more adequately the increases in local tax revenues and other direct benefits to the communities participating in the program. For the fiscal year 1962 new obligational authority of \$300 million is recommended.

Urban planning.—The various housing and urban renewal programs and the Federal-aid highway program have important impacts on the character and development of our rapidly growing metropolitan areas. To help assure that these aids make the maximum contribution to sound community development, the Secretary of Commerce and the Housing and Home Finance Administrator have established a new procedure for the joint use of urban planning grants and Federal-aid highway research and planning funds for comprehensive metropolitan planning. This procedure is intended not only to produce better planning for the use of Federal, State, and local funds, but also to encourage effective coordination and cooperation among the many local governments and the State and Federal agencies engaged in metropolitan development activities. To help carry out the new approach, as well as to aid mass-transit planning and to meet other expanding requirements, it is recommended that the present statutory limitations on appropriations for urban planning grants be removed and that the appropriation for such grants be increased to \$10 million for 1962 from the \$4 million appropriated for 1961.

Public housing programs.—By the close of the fiscal year 1962 an estimated 522,000 federally aided public housing units will be occupied, and construction will be underway on 49,000 more units. Another 49,000 units will be under contract for Federal contributions but construction will not yet have been started on these units. In view of the large number of authorized units not yet under construction, no additional authorization is recommended in this budget. Ex-

penditures for contributions to local authorities will increase in 1962 largely because of subsidies required on newly occupied units.

Federal Savings and Loan Insurance Corporation.—A year ago legislation was recommended to provide needed increases in the insurance reserve of the Federal Savings and Loan Insurance Corporation, which insures the share accounts of institutions representing the largest source of home mortgage financing. Because of the continuing rapid growth of these institutions, the Corporation's reserves are still only 0.66% of the insured liability, and legislation is even more necessary now. Therefore, it is recommended that the present unnecessarily high requirement for investment in stock of the Federal Home Loan banks be reduced, and that insured savings and loan associations be required to make additional prepayments of insurance premiums of approximately the amounts of that reduction. The objective should be to build up the secondary reserves of the Corporation until total reserves reach 2% of the insurance liabilities. This proposal would cause a much more rapid increase in the insurance reserves of the Corporation, by adding an extra \$164 million in 1962. It would not significantly increase the costs to member associations, but would allocate more realistically the combined resources of the Home Loan banks and the Corporation.

Insurance of private mortgages.—The Federal Housing Administration expects to increase its commitments to insure mortgages from about 800,000 housing units in the fiscal year 1961 to over 900,000 units in 1962; about 40% of the 1962 commitments will be mortgages on newly built houses. However, since the present amount of insurance authority will be used up within the next few months, prompt action is needed to prevent interruption of this important program. The Congress should remove the present ceiling on this authority so that home buyers, builders, and lenders can count upon the continued availability of Federal mortgage insurance.

Legislation should also be enacted to make permanent the authority to insure loans on home improvements, which expires October 1, 1961. This program, initiated in 1934, has proved to be an important aid to modernization of existing homes, and its continuance should no longer depend on periodic congressional action.

Statutory ceilings on interest rates for certain types of mortgages insured by the Federal Housing Administration, as well as for direct and guaranteed loans of the Veterans Administration, have from time to time limited the effectiveness of these programs. In the past, the Congress has recognized the need for some increased flexibility in such interest rates in order to attract adequate private capital. In the present situation, the interest rate ceiling of 5¼% on housing loans guaranteed by the Veterans Administration is a serious obstacle to adequate private financing. The similar ceiling on insured mort-

gages for rental housing, especially for the new housing program for the elderly, and the ceiling of 4½% on family housing for members of the armed services also discourage private financing. As previously recommended, these ceilings should be increased or removed by the Congress. The success of the new mortgage insurance program for nursing homes in obtaining private funds through slightly higher interest rates illustrates the importance of adequate flexibility in such rates.

Veterans housing loans.—The last Congress extended the veterans direct housing loan program of the Veterans Administration for another 2 years, provided new obligational authority of \$150 million for such loans for each of the fiscal years 1961 and 1962, and provided for a 2-year extension of the loan guarantee program for World War II veterans. The need for continuing the readjustment benefit programs of direct loans and loan guarantees for World War II veterans has long since passed.

Changes are recommended in the direct loan program to (1) confine this program, beginning July 26, 1961, to veterans of the Korean conflict, (2) extend the program for Korean conflict veterans from the present termination date of July 25, 1962, until February 1, 1965 (the same termination date as for loan guarantees for these veterans), and (3) finance the extended program from funds already authorized, augmented by funds from repayment of loans previously made. These changes will permit a satisfactory program of aid for veterans of the Korean conflict with expenditures of \$85 million in 1962, a reduction of \$15 million from 1961.

Voluntary Home Mortgage Credit Program.—Authority for the Voluntary Home Mortgage Credit Committee expires October 1, 1961. Under present unrealistic interest rate limitations, this program cannot contribute substantially to the financing of guaranteed home loans to veterans in remote areas. Other federally insured loans are, however, being placed for borrowers in such areas and for members of minority groups. The Committee is also now trying to find private financing for mortgages eligible for special assistance by the Federal National Mortgage Association. This program should, therefore, be extended for another 2 years.

Mortgage purchases.—Mortgage financing requirements for housing for displaced families, for elderly families, and in urban renewal areas, will continue to increase in 1962. Despite the progress made by the Voluntary Home Mortgage Credit Committee in finding some private financing, the bulk of the financing needs for these types of housing will continue to be met through mortgage purchases by the Federal National Mortgage Association under its special assistance functions. The Association will require, for this purpose, additional new obliga-

tional authority of \$250 million in 1962; the legislation should authorize provision of this amount through the appropriation process.

Through its secondary market operations trust fund, the Federal National Mortgage Association will purchase an estimated \$1 billion of insured and guaranteed mortgages of all types at market prices. Unlike the special assistance program, which is wholly financed by the Federal Government, almost all of the necessary funds for secondary market operations will be provided by sale of debentures to private investors and by purchase of common stock by mortgage sellers. New obligational authority of \$35 million, however, is estimated to be required for additional Treasury subscriptions to the Association's preferred stock.

College housing.—Legislation enacted by the last Congress provided sufficient authority to continue the present college housing program into the fiscal year 1962. I have previously recommended a new program to be administered by the Department of Health, Education, and Welfare to provide Federal assistance for university facilities of all types through loan guarantees and grants. As a transition to that new and broader program, new obligational authority of \$100 million for college housing loans is recommended for 1962. Together with funds from existing authorizations, this will permit new loan commitments of \$200 million in 1962.

Promotion and regulation of business.—The Federal Government provides a variety of direct and indirect aids to business enterprises. At the same time, Federal regulatory agencies and programs enforce competition and regulate monopoly in many specific areas.

Small business.—Federal assistance to small business will continue to grow in 1962. Financial aid under the Small Business Investment Act to both small business investment companies and to State and local development companies is increasing at a rapid rate. The number of such investment companies is expected to exceed 400 by the end of June 1962, compared to 109 in June 1960, thus expanding the supply of private capital available to small businesses. Other loans by the Small Business Administration will continue at a high level, as will the efforts to assist small businesses in obtaining a larger share of Federal procurement and research contracts and in improving management methods. Special efforts are being made to provide assistance to firms displaced by urban renewal projects and firms in labor surplus areas.

Legislation should be enacted to extend the important program of loans to local development companies, which otherwise expires at the end of the current fiscal year. In addition, legislation is again re-

quested to extend the privilege of simplified filings under the Securities Act of 1933 to a wider range of securities issues, and thus to facilitate small business financing.

Area assistance.—The Department of Commerce, with the assistance of 16 other departments and major agencies, has further extended in the past year the wide range of Federal aids to local communities suffering from severe and chronic unemployment. However, private groups and local public officials must provide the primary initiative in finding successful permanent solutions for the difficult problems of their specific areas.

For the past 5 years I have repeatedly recommended legislation which would provide the authority necessary for more effective Federal assistance without merely substituting temporary Federal aid for indispensable local leadership. Alternative proposals enacted by the Congress, which would have been less effective and more expensive, have been vetoed. The Congress is again urged to enact sound legislation to permit reasonable increases in Federal aid through a program of loans and grants. This program should continue to be administered by the Secretary of Commerce to avoid establishment of an unnecessary new agency. Appropriations of \$83 million for 1962 are requested to initiate the expanded Federal program.

Export expansion.—The national export expansion program launched early last year by the Department of Commerce has already had considerable success. This budget includes recommendations for additional appropriations to help achieve further increases in exports and to place greater emphasis on encouraging travel to the United States.

New York World's Fair.—The Secretary of Commerce, at my request, is developing plans, in anticipation of authorizing legislation, for Federal participation in the New York World's Fair scheduled to open in the spring of 1964.

Regulation of commerce and finance.—Under this budget, the Federal Communications Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Securities and Exchange Commission, and the Civil Aeronautics Board will be further strengthened. The appropriations recommended for these five independent regulatory agencies will finance a staff 40% greater than at the end of 1956, an expansion clearly required by the growth of regulated industries, by new legislative responsibilities, and by the increased complexity of the problems involved. Numerous improvements in agency operations to simplify procedures and reduce backlogs are anticipated from a series of management studies made in recent months. The increas-

ing workload of these agencies increases the need to adjust or impose charges on the regulated industries or activities sufficient to cover the costs of administration.

The antitrust laws should be strengthened by legislation (1) requiring large businesses to notify the antitrust agencies of proposed mergers, (2) empowering the Attorney General to issue civil investigative demands in antitrust cases when civil procedures are planned, and (3) authorizing the Federal Trade Commission to seek preliminary injunctions when it is likely that a proposed merger would violate the law.

Civil and defense mobilization.—Prudent concern for the protection of the civilian population from hazards in a nuclear world makes it necessary to recommend increases for 1962 in appropriations for civil defense. The largest increases for nonmilitary defense will provide funds for increasing medical stockpiles and for the first full-year cost of a program begun in 1961 to match State and local costs for civil defense personnel and administration. Additional funds are also requested for procurement of radiological equipment and for strengthening Federal activities in emergency health and manpower programs.

The Congress and the executive branch have recognized that civil defense is the joint responsibility of Federal, State, and local governments. As exercise of its partnership, the Federal Government has, by leadership and example, implemented a national shelter policy, which recognizes the fallout shelter as the best single nonmilitary defense measure for the protection of the greatest number of people. Under this policy the Federal Government has instructed people in protective measures, conducted a sample survey of existing shelter capabilities, accelerated shelter research, and constructed prototype shelters for example and guidance. Moreover, the Congress has been urged to provide funds for inclusion of fallout shelters in appropriate new and existing Federal buildings. Funds and appropriate legislation are being requested to accelerate these activities in 1962.

In order to strengthen the program, legislation is being proposed to require appropriate fallout shelters in certain new private construction where the Federal Government provides some form of financial assistance. This legislation will also provide for a 1-year program of grants to States to assist in the construction of fallout protection shelters in selected State buildings. Upon the enactment of this legislation, supplemental appropriations will be required.

AGRICULTURE AND AGRICULTURAL RESOURCES

In the fiscal year 1962, Federal programs for agriculture will continue to require heavy expenditures for much the same reason

as in the immediately preceding years: the lack of adequate modifications in the price-support laws to make them conform to the increased efficiency and growing productive capacity of the agricultural industry.

Estimated expenditures for agriculture and agricultural resources in 1962 are \$5.1 billion, which is \$165 million more than the estimate for the current year and \$263 million more than was spent in 1960. Total new authority to incur obligations requested for 1962 is \$4.6 billion, which includes \$936 million to restore, to the extent necessary, the capital impairment of the Commodity Credit Corporation resulting from previous price-support losses, and \$1.7 billion to reimburse the Corporation for estimated costs and losses through fiscal year 1961 of other programs financed through that agency.

Each year that the current unrealistic price-support program is continued complicates further the production adjustments that will have to be made before present Government controls over farm operations can be relaxed. Carryover stocks of wheat continue to rise. Current indications are that by July 1, 1961, wheat stocks will amount to about 1.5 billion bushels, which is more than an average year's production and 2½ times an average year's domestic consumption. Carryover stocks of corn and other feed grains have risen each year since 1952, and by the fall of 1961 are expected to reach 82 million tons, or about one-half an average year's production. While cotton

Agriculture and Agricultural Resources:

BUDGET TOTALS

[In billions]

	1960 actual	1961 estimate	1962 estimate
Expenditures	\$4.8	\$4.9	\$5.1
New obligational authority . . .	5.2	4.7	4.6

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Modify price-support legislation, particularly wheat.
2. Extend and expand conservation reserve concurrent with modification of wheat program.
3. Extend and amend Sugar Act.
4. Establish borrower-owned institution to finance rural electrification and telephone loans.
5. Simplify and consolidate authority of Secretary of Agriculture for making farm ownership and operation loans.
6. Require greater sharing by States in costs of farm disaster relief.
7. Reduce advance authorization for agricultural conservation program.

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Stabilization of farm prices and farm income:				
Commodity Credit Corporation—price support, supply, and purchase programs.....	\$1,480	\$1,423	\$1,537	\$936
Commodity Credit Corporation—special activities:				
Public Law 480 (titles I and IV).....	1,232	1,285	1,303	1,353
International Wheat Agreement.....	66	72	71	89
National Wool Act.....	93	62	66	59
Transfer of bartered materials to supplemental stockpile.....	192	208	175	163
Other.....	6	-2	-2	-----
Removal of surplus agricultural commodities.....	90	100	110	284
Sugar Act.....	74	74	85	81
Other.....	44	42	51	51
Subtotal.....	3,278	3,264	3,396	3,017
Financing rural electrification and rural telephones.....	330	328	340	255
Financing farm ownership and operation:				
Farmers Home Administration.....	249	264	231	225
Farm Credit Administration.....	-3	4	4	3
Conservation of agricultural land and water resources:				
Conservation reserve:				
Present program.....	324	354	357	330
Proposed legislation for extension and expansion.....	-----	-----	19	19
Agricultural conservation program:				
Program total.....	237	236	234	238
Under CCC special activities.....	(¹)	(-4)	(-8)	-----
Soil Conservation Service (including watershed protection and Great Plains program).....	131	151	163	166
Research and other agricultural services.....	293	336	357	352
Total.....	4,838	4,936	5,101	² 4,605

¹ Less than one-half million dollars.² Compares with new obligational authority of \$5,151 million enacted for 1960 and \$4,696 million (including \$23 million in anticipated supplemental appropriations) estimated for 1961.

carryover stocks are expected to be down slightly by the beginning of the fiscal year 1962 as compared with a year earlier, the cotton program continues to be a substantial drain on the budget, principally as a result of the sale of cotton abroad at prices substantially lower than support levels.

Among the many aspects of the price-support program in need of major changes, the most urgent is the enactment of realistic price-

support legislation for wheat. It is imperative that the Congress take early action so that farmers can make the necessary adjustments in their plans. Because of the time lag between enactment of new price-support legislation and its budgetary impact, legislation enacted in this session of the Congress can have little effect before the 1963 budget. My previous recommendations for wheat legislation allow for considerable latitude in method of approach as long as the legislation deals realistically with the problem.

The last session of the Congress did not extend the authority of the Secretary of Agriculture to bring additional land into the conservation reserve. Since the rental rates needed to induce farmers to place large quantities of surplus-producing land in the conservation reserve depend in large part on levels of price supports, it would be unsound to attempt to set such rates high enough to compete with the present unrealistic level of price supports, particularly for wheat. Therefore, legislation proposed by this administration to extend the conservation reserve through the calendar year 1964 and to expand the program from the present level of 28.6 million acres to a maximum of 60 million acres should be enacted only if satisfactory legislation for wheat is also enacted. An expanded conservation reserve would not be effective unless largely concentrated in areas producing wheat and other surplus commodities. For this reason, the Secretary of Agriculture should be provided with specific authority to give special consideration, in allocating conservation reserve funds, to those States and regions where curtailment of the production of wheat or other surplus commodities is consistent with long-range goals for adjusting production.

Stabilization of farm prices and income.—In fiscal year 1962, expenditures for price supports and other programs to stabilize farm prices and income are estimated at \$3.4 billion, which is \$132 million more than the amount currently estimated for 1961, and \$118 million more than expenditures in 1960. Expenditures for these programs are not subject to regular annual budgetary control, since they are determined mainly by the loan, commodity purchase, and other price-supporting activities that the Commodity Credit Corporation is required to carry out under existing laws. In 1962 farm price support and related activities account for about two-thirds of the estimated expenditures for agricultural programs. The budget estimate assumes that yields per acre of price-supported crops for the 1961 crop year will be in line with recent years. It also assumes a continued favorable level of exports of farm commodities.

This high level of expenditures reflects, directly or indirectly, the continuation of present price supports in the face of a volume of agri-

cultural production that cannot be absorbed by the domestic and world markets at currently supported prices. Total farm production for the calendar year 1960 established an all-time record both on an absolute and a per capita basis. It was 29% above the 1947-49 average, and was achieved with 30% fewer farmworkers and 6% fewer crop acres.

Surplus wheat, cotton, corn, rice, and other commodities are being utilized in our Food for Peace program to promote economic development and common defense and to provide emergency relief for needy people abroad. The largest part of the program is the sale of farm commodities for foreign currencies under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480). Because of the size of past sales, particularly a 4-year agreement with India, additional authority of \$1.1 billion is recommended for the remainder of the calendar year 1961. Titles II and III of this act provide for donating surplus commodities to foreign governments primarily for emergency relief needs and to private relief organizations in support of their activities abroad; over 55 million people benefited this past year from these donations. Continuation of the programs currently carried on under titles I and II will require legislation this year to extend them beyond December 31, 1961.

Surplus agricultural commodities are also made available to the needy at home through the direct distribution program of the Department of Agriculture, which is carried on under the permanent appropriation for the removal of surplus agricultural commodities and through the Commodity Credit Corporation's surplus disposal operations. In the fiscal year 1960, there were donations of 526 million pounds of surplus food, valued at \$59 million, directly to needy families in the United States. In October 1960, there were 3.3 million people in the United States receiving surplus foods through these programs; additional persons benefited from food donations to the school lunch program and to institutions providing aid to the needy.

Since the Sugar Act expires on March 31, 1961, prompt legislative action extending this program is required. In line with my previous recommendation, the Congress should amend the Act to provide the President with urgently needed flexibility in the allocation of quotas.

The National Wool Act, which expires on March 31, 1962, should be extended, and its financing should be shifted to a direct appropriation basis.

To conserve fiscal resources and to implement the principle that identifiable recipients of certain special services should pay for them, legislation is again proposed to permit the Federal Crop Insurance

Corporation to include its administrative expenses in determining appropriate premium rates for crop insurance.

Rural electrification and telephones.—Expenditures of the Rural Electrification Administration are estimated at \$340 million for 1962, and new obligational authority of \$255 million is recommended, including \$100 million for telephone loans and \$145 million for electrification loans.

The Rural Electrification Administration has made a major contribution to the development of rural America. About 97% of our farms now have central station electric service as compared with 11% in 1935. The telephone program also is making a real contribution to a better rural America by improving rural telephone service.

The expanding use of power in the areas served by electric cooperatives, however, requires substantial amounts of new capital each year to provide additional generating capacity and heavier transmission and distribution facilities. More than half of the total power sales by the REA system are made to rural industrial, recreational, and other nonfarm users. These nonfarm users comprise about 80% of the new customers being added.

The capital needs of the Rural Electrification Administration are being financed currently by loans from the Treasury at 2% interest. Loans are made to borrowers at this same rate. While special treatment of these programs through favorable Federal financing was justified in earlier years, the progress that has been made by the local systems in achieving the objectives of the Rural Electrification Act and in developing financial stability indicates that the time has come to plan for methods of financing other than through the Federal Government. To that end, legislation should be developed for a federally chartered institution to finance the future requirements of the rural electrification and rural telephone programs. Such an institution should be owned and managed by the REA borrowers subject to the examination and supervision of the Secretary of Agriculture. To launch the new institution on a sound basis, it should be assisted initially by a Federal loan, with provision for orderly retirement of the loan. Future capital needs of the REA borrowers should be met by the sale of the institution's obligations to the public. Provision should also be made for loans by the institution on behalf of the Secretary of Agriculture to borrowers who are unable to qualify for regular loans.

Farm ownership and operation.—Expenditures for the loan programs of the Farmers Home Administration are estimated at \$231 million for 1962, compared with \$264 million estimated for 1961. Loans are

made by the Farmers Home Administration to borrowers who are unable to obtain credit from other sources at interest rates currently prevailing in their communities, in order to finance farm ownership and enlargement, farm operations, and soil and water conservation. Direct loans for farm ownership and soil and water conservation are supplemented with private loans insured by the Federal Government.

Legislation previously recommended to simplify, consolidate, and improve the authority of the Secretary of Agriculture to make these types of loans should be enacted. Included in this legislation is a proposal to place the operations of the Farmers Home Administration on a revolving fund basis.

Authority to make loans under the farm housing loan program expires June 30, 1961. Extension of this separate farm housing loan authority is not recommended, since loans similar to the farm housing loans would be authorized under the general legislation being recommended relating to the loan authority of the Secretary of Agriculture.

Legislation should be enacted, as recommended previously, to require the States to share a greater part of the costs of farm disaster relief assistance.

Conservation of agricultural resources.—Expenditures in 1962 under the conservation reserve program are expected to be \$357 million under existing legislation. If legislation extending and expanding this program is enacted as proposed in this budget, additional expenditures of \$19 million in 1962 would result. Under the proposal, there would be a net increase of 10.5 million acres during the 1962 program year, bringing the total at the end of that year to 39 million acres. However, most of the increase in expenditures required for the 1962 program would not occur until 1963 and later fiscal years. To the extent that additions of land to the conservation reserve result in curtailment of the production of price-supported agricultural commodities, the added expenditures resulting from extension and expansion of this program will be accompanied by lower outlays for price supports.

An advance authorization of \$100 million is recommended for the 1962 agricultural conservation program. This will affect primarily the expenditures for the fiscal year 1963. In recent appropriation acts the Congress maintained this program at a level which far exceeded my recommendations. As a result, expenditures for the agricultural conservation program are estimated to be \$236 million in 1961 and \$234 million in 1962. The \$100 million advance authorization, together with other aids for soil and water conservation, will provide substantial incentives for the Nation's farmers to meet our high-priority conservation needs.

Federal cost-sharing assistance in the future under this program should be concentrated on conservation measures which will foster needed shifts to less intensive uses of cropland, and assistance should be eliminated for practices which increase capacity to produce agricultural commodities already in surplus supply. Continuation of cost sharing for output-increasing practices directly conflicts with the recommended expansion of the conservation reserve program under which cropland is removed from production.

New obligational authority of \$66 million is recommended for the upstream watershed programs, including \$46 million under the Watershed Protection and Flood Prevention Act. Of this amount, \$10 million is for initiating construction of projects involving an estimated total Federal cost of \$70 million. Expenditures under these programs are expected to be \$65 million in 1962, which is an increase of \$12 million over 1961 and \$21 million over 1960. New obligational authority requested for the Great Plains program totals \$10 million, the same as for 1961.

Research and other agricultural services.—Expenditures for research, education, and other agricultural services in 1962, including \$17 million for purchases of foreign currencies to finance research and market development programs abroad, are estimated at \$357 million, which is an increase of \$22 million over 1961. This increase reflects primarily additional support for the research programs of the Agricultural Research Service and continuing progress on laboratory construction.

Rural development.—The rural development program inaugurated by this administration is successfully stimulating economic progress and growth in low-income farming areas of the Nation. It is becoming widely accepted as a major national approach to helping families in these areas. By June 30, 1961, it is expected that some 350 counties in 39 States will be participating in the program. Among the impressive gains reported in participating areas are the following: (1) new farm crops have been introduced and production on small farms improved; (2) the number of jobs has increased through the establishment of new industries and enlargement of others; (3) income has increased from nonfarm sources such as recreation, tourist services, and expanded business activities; and (4) educational and training programs have been inaugurated for those who have little opportunity to enter commercial farming.

The Federal Government supports this program principally through a redirection and strengthening of existing services and activities. Emphasis is placed on cooperation among Federal and State agencies and local groups. In the Department of Agriculture, the program is conducted as a part of the continuing responsibilities of 10 of its agencies, with general leadership furnished by the Extension Service,

for which an increase of \$2 million is estimated in this budget. Other Federal departments and agencies have accelerated their activities that contribute to the aims of the rural development program. These agencies include the Small Business Administration, and the Departments of the Interior, Commerce, Labor, and Health, Education, and Welfare. All of these activities are carried out under the general guidance of the Committee for Rural Development Program which was established by Executive order.

NATURAL RESOURCES

Sound development of our natural resources is necessary to meet the needs of our growing population and expanding economy. The budget recommendations for the fiscal year 1962 provide for appropriate Federal participation in the development, conservation, and use of these resources, in cooperation with State and local agencies and private interests.

Federal expenditures for natural resources are estimated to be \$2.1 billion in 1962 compared with \$2 billion in 1961. These expenditures are higher than in any previous year.

Water resources.—Approximately two-thirds of the Federal expenditures for natural resources in 1962 will be for water resources activities. The programs of the Corps of Engineers and the Bureau of Reclamation will require expenditures estimated at \$1.2 billion—a record level. Of this amount, \$1 billion will be spent on construction. This includes \$976 million for continuation of work on projects started in 1961 or prior years, \$11 million for first-year expenditures on 37 proposed new project starts, and \$13 million for advance planning of projects needed in later years. A large share of the construction expenditures of these agencies will be for multiple-purpose river basin projects, including flood control, navigation, irrigation, water supply, hydroelectric power, and in some cases related recreational and fish and wildlife benefits.

For the Corps of Engineers, the budget includes appropriations of \$15 million for starting 31 new projects and an additional number of smaller projects costing less than \$400 thousand each. The estimated total cost of building these new projects is \$302 million. Appropriations of \$6 million are also recommended to enable the Bureau of Reclamation to begin construction on five new projects, with an estimated total cost of \$141 million, and to make a loan for one small reclamation project for which the total Federal commitment will be \$5 million.

The 1962 program of the Bureau of Reclamation includes protective works for the Rainbow Bridge National Monument, as required by law in connection with construction of Glen Canyon Dam.

It is again recommended that the Congress authorize construction by the Bureau of Reclamation of the Fryingpan-Arkansas project in Colorado.

A few months ago agreement was reached between the United States and Canada on the basic terms of a treaty for the cooperative development of the water resources of the Columbia River Basin. The proposal envisages the construction in Canada, within a 10-year period, of three major reservoirs and the construction by the United States of the authorized Libby project in northern Montana. The substantial flood control and power

benefits which will result from this agreement will be realized at a much earlier date with materially less cost than would be the case if they were provided by unilateral rather than by cooperative endeavor. The location of the proposed storage reservoirs will not interfere with the cycle for salmon and other anadromous fish, which constitute an important economic and recreational asset of the Pacific Northwest. The Senate should give prompt attention to the ratification of the treaty when it is presented. Following this ratification, preconstruction planning of Libby Dam should be started by the Corps of Engineers.

The previous Congress enacted legislation to authorize negotiation of an agreement between the United States and Mexico for the joint construction of Amistad (Friendship) Dam on the Rio Grande, and appropriated \$5 million for this project. The 1962 budget includes \$12 million to finance further work on the dam as soon as the technical details relating to its construction are approved by the two Governments.

Legislation should be enacted to place the financing of the Bureau of Reclamation and the power marketing agencies of the Department

<i>Natural Resources:</i>			
BUDGET TOTALS			
[In billions]			
	1960 <i>actual</i>	1961 <i>estimate</i>	1962 <i>estimate</i>
Expenditures.....	\$1.7	\$2.0	\$2.1
New obligational authority.....	2.5	2.0	2.0
—————			
LEGISLATIVE PROPOSALS			
1. Authorize Fryingpan-Arkansas project.			
2. Authorize establishment of river basin planning commissions.			
3. Require non-Federal interests to bear at least 30% of the cost of local flood protection projects.			
4. Complete acquisition of unique wilderness area in Superior National Forest for public use.			
5. Preserve three undeveloped seashore areas for public use.			

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recom- mended new obli- gational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Land and water resources:				
Corps of Engineers.....	\$867	\$930	\$930	\$932
Department of the Interior:				
Bureau of Reclamation.....	209	240	305	290
Power marketing agencies.....	34	41	36	36
Indian lands resources.....	59	68	63	64
Public domain lands and other.....	35	45	50	50
Tennessee Valley Authority.....	12	55	103	30
Federal Power Commission.....	7	8	9	9
International Boundary and Water Commission and other.....	12	15	19	20
Forest resources.....	220	263	311	248
Mineral resources.....	65	66	67	82
Recreational resources.....	74	87	101	105
Fish and wildlife resources.....	68	75	84	85
General resource surveys and administration.....	51	58	60	61
Total.....	1,713	1,951	2,138	1 2,012

¹ Compares with new obligational authority of \$2,533 million enacted for 1960 and \$2,049 million (including \$139 million of anticipated supplemental appropriations) estimated for 1961.

of the Interior on a revolving fund basis, retaining annual review and control by the Congress.

Net budget expenditures of the Tennessee Valley Authority are estimated at \$103 million in the fiscal year 1962. The increase of \$48 million over the current year will be largely for construction of power and navigation facilities. Under the authority to sell revenue bonds, enacted in August 1959, the TVA issued \$50 million of such bonds in November 1960. The Authority plans to issue an additional \$140 million in the fiscal year 1962 which, together with power revenues, will provide funds for continuing construction of power facilities and for starting construction of a new steam powerplant in the eastern part of the TVA power area. Construction will continue on Wheeler and Wilson locks and on the navigation features of the Melton Hill project, financed by appropriated funds. The Authority plans to make a payment of \$50 million from power proceeds to the Treasury in fiscal year 1962, of which \$40 million is a dividend and \$10 million is a return of Government capital. A similar payment, estimated at \$51 million, is being made in 1961.

The 1961 and 1962 programs of the TVA contemplate the acquisition of certain coal land or mining rights, on which options have been

taken, in the eastern portion of its coal supply area. Since it has not been clearly established that such acquisitions are necessary to assure an adequate reserve of coal for TVA's operations, I have directed that these actions not be taken without specific Presidential approval.

Research conducted by the Department of the Interior over the past several years has reduced substantially the cost of obtaining fresh water from saline water. Two demonstration plants for conversion of sea and brackish water into fresh water will be completed in the fiscal year 1962. Appropriations of \$3.5 million are recommended for starting two additional plants in 1962, one at Roswell, N. Mex., and the other at a location to be selected on the east coast.

River basin planning commissions.—In addition to the Corps of Engineers, Bureau of Reclamation, Tennessee Valley Authority, and International Boundary and Water Commission, several other Federal agencies participate in phases of water resources programs. The Department of Agriculture assists local groups in watershed protection and flood prevention; the Department of Health, Education, and Welfare has responsibility relating to control of water pollution; and the Federal Power Commission has broad river basin planning authority in connection with licensing construction of private power projects. The Fish and Wildlife Service, National Park Service, and other agencies also participate in certain aspects of water resources projects. Furthermore, activities of State and local agencies and private interests in the field of water resources are of increasing importance. Only with coordinated planning on the part of all groups concerned can there be assurance that all possible uses of water are adequately considered.

To provide for comprehensive, coordinated planning, legislation is being submitted to authorize the President to establish water resources planning commissions as needed in the various river basins or regions. These commissions would be composed of Presidentially appointed members from the various Federal agencies and the States. They would prepare and keep current comprehensive, integrated river basin plans. This proposed general authority would be an improvement over separate laws such as those which established the two *ad hoc* river basin study commissions for the Southeastern and Texas areas.

Cost sharing for local flood protection.—The varied requirements for financial participation by State and local interests in local flood protection projects have resulted in inequities among the various beneficiaries of such projects. In the case of projects of the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture, non-Federal contributions range from zero to over 60% of flood protection costs. In previous budget messages, legislation has been recommended to provide an equitable, uniform minimum of 30%

non-Federal cost sharing for all flood protection projects. Although the Congress did not act on that proposal, a forward step was taken in the Flood Control Act of 1960, which provides for a uniform minimum of 20% non-Federal cost sharing on local flood protection projects of the Corps of Engineers authorized by that act. The Congress is urged to broaden this action by requiring a minimum of 30% cost sharing on all local projects providing flood protection benefits which are authorized in the future for the Corps of Engineers, the Bureau of Reclamation, and the Department of Agriculture.

Public domain and Indian lands.—In the fiscal year 1962, expenditures for the conservation and development of the public domain lands, administered by the Bureau of Land Management, will be \$43 million, somewhat higher than in 1961. Receipts from grazing fees, timber sales, and mineral leases on the public domain lands, including the Outer Continental Shelf, are estimated at \$221 million in the fiscal year 1962, an increase of \$55 million over the revenues estimated for the current year. A portion of the estimated increase will result from the increases authorized last year in the fees for noncompetitive oil and gas leases. Some of these revenues are shared with States and counties. Shared-revenue payments to these governmental units in 1962 from the public domain lands amount to \$58 million.

Estimated expenditures of \$63 million for the management of Indian lands in the fiscal year 1962 include \$33 million for construction of roads; for irrigation facilities; and for buildings and utilities, mainly additional school facilities for Indian children who reside on lands held in trust by the United States.

Forest resources.—Some increases in expenditures of the Forest Service in 1962 are needed to carry forward its long-range development program for the national forests. These increases will be for forest roads and trails and for forest protection and utilization, including forestry research, fire prevention, and recreational facilities. A supplemental appropriation of \$69 million is being requested for the fiscal year 1961 to enable the Forest Service to pay for those portions of the forest lands of the Klamath Indians which are not sold to competitive bidders by April 1, 1961 (as required by Public Law 85-731), with expenditures estimated in the fiscal year 1962. These increases will be offset in part by an expected decrease from the expenditures of \$33 million in 1961 for fire fighting in the national forests—the highest annual expenditures on record.

Management of the national forest lands yields substantial revenues, mostly from timber sales and grazing permits. These receipts—which are in addition to the amounts cited earlier under public domain lands—are estimated at \$156 million in the fiscal year 1962. Shared revenue payments to the States in 1962 are estimated at \$29 million.

Legislation is recommended to provide authority for the Secretary of Agriculture to complete acquisition of the remaining lands in the Boundary Waters Canoe Area of the Superior National Forest in order to preserve this unique wilderness area for public use.

Mineral resources.—Amendments to the Helium Act during the last session of the Congress authorize a long-range program for conserving vital helium resources. Under these amendments, effective March 1, 1961, private industry will be encouraged to finance, build, and operate plants to recover helium for sale to the Department of the Interior. Where necessary, the Secretary of the Interior may take direct steps to conserve this important resource. The program is to be financed from borrowing authority, subject to the appropriation process. Supplemental borrowing authority of \$12 million for the fiscal year 1961 is recommended so that the Bureau of Mines can start the program promptly, and provision is made in the 1962 budget to augment this initial amount by \$15 million.

The Bureau of Mines will continue its research on improved methods of production and utilization of coal and other minerals. Under recent legislation, the Department of the Interior will contract with educational, trade, and other organizations for research aimed at early solutions to some of the problems confronting the coal industry.

Recreational resources.—The rapidly expanding use of public recreational facilities is placing great demands on the resources of our national park system. The estimated increase of \$14 million in expenditures of the National Park Service from 1961 to 1962 will provide for needed maintenance and rehabilitation of the park areas and for operation of new facilities and areas added to the system in recent years. Prompt action should be taken on legislation, as recommended last year, to permit the Secretary of the Interior to acquire three of the remaining undeveloped seashore areas for the national park system. Such action will enable these areas to be preserved for public benefit.

The forthcoming report of the Outdoor Recreation Resources Review Commission will provide a comprehensive survey of outdoor recreational resources and needs. The report should be useful as a guide for Federal, State, local, and private interests in their plans for meeting increasing needs for recreation.

Fish and wildlife resources.—Expenditures for fish and wildlife resources in the fiscal year 1962 are estimated at \$84 million, an increase of \$9 million over the current year. Part of the increase will be for management and operation of fish hatcheries and wildlife refuges by the Bureau of Sport Fisheries and Wildlife. Outstanding refuges recently established by the Secretary of the Interior are the Arctic, Kuskokwim, and Izembek wildlife ranges in Alaska, comprising 11.2 million acres, with unique values as waterfowl breeding grounds and with wilderness areas of scenic beauty. Increases for the Bureau of Commercial Fisheries are for construction of oceanographic research facilities, and for biological and technological research to be initiated in 1962 under a special foreign currency program to aid the fishing industry.

General resource surveys.—Expenditures of the Geological Survey will increase primarily as a result of increased interest and participation by the States in the cooperative programs for topographic and geological mapping and water resources investigations.

LABOR AND WELFARE

The labor and welfare programs of the Federal Government have assumed in the last decade a growing role in meeting human needs in our increasingly complex, urbanized society. These programs provide manpower, health, education, science, economic security, and welfare services of great importance to the entire population and also assist many special groups such as the aged, the children, the disabled, the unemployed, and the needy.

Budget expenditures for labor and welfare programs in the fiscal year 1962 are estimated at \$4.8 billion, an increase of \$276 million over 1961. In the last decade these budget expenditures have more than doubled. Labor and welfare benefit payments from the social security and other trust funds, supported largely by payroll taxes on employers and employees, have increased fivefold in the same period to an estimated \$19.6 billion in 1962.

Of estimated expenditures of \$24.4 billion from budget and trust accounts for labor and welfare programs for 1962, an estimated \$13 billion will be for benefits and services for elderly persons. When benefits for veterans and others are added, total estimated expenditures in 1962 for benefits and services for persons who are 65 and over exceed \$16 billion.

New obligational authority recommended for 1962 for labor and welfare programs in the budget totals \$5 billion, and is \$88 million more than estimated for the current fiscal year. The largest program increase is for public assistance, including medical care for the aged. The proposed appropriations for hospital construction grants are lower

than the amounts enacted for 1961, but expenditures will increase by \$13 million as a result of commitments under obligational authority provided in prior years. Recommended appropriations, as well as estimated expenditures, for programs to assist federally affected school districts are reduced for 1962 in view of the modifications proposed in those programs.

Education.—The vitality of our democracy and the productivity of our economy depend in large measure on the development of our human resources through an effective educational system. Primary responsibility for education rests with the local communities and States and with private institutions and groups. The strength of our American educational system flows from its freedom and this broad basis of support. Thus, the Federal role in education is properly a supplementary one, limited primarily to providing assistance where there is a special national concern. For such assistance, the Federal Government will spend in all budget categories about \$1 billion in 1962 for educational activities, including college

Labor and Welfare:

BUDGET TOTALS

	[In billions]		
	1960 actual	1961 estimate	1962 estimate
Expenditures.....	\$4.4	\$4.5	\$4.8
New obligational authority.....	4.6	4.9	5.0

LEGISLATIVE PROPOSALS

(In addition to program extensions)

1. Authorize financial aid for public elementary and secondary school construction.
2. Authorize financial aid for construction of college facilities.
3. Modify programs for aid to schools in federally affected areas.
4. Remove affidavit requirement from National Defense Education Act.
5. Remove limitation on grants to States for administration of employment security programs.
6. Extend coverage of unemployment compensation system to 3 million additional workers.
7. Adjust minimum wage and extend coverage.
8. Strengthen Welfare and Pension Plan Disclosure Act.
9. Assure equal pay for equal work.
10. Improve laws governing hours of work and overtime pay on Federal construction projects.
11. Improve hospital construction grant program.
12. Authorize grants for construction of medical and dental schools.
13. Establish loan guarantee program for construction of group practice medical and dental facilities.
14. Strengthen authority for air and water pollution control.
15. Transfer Freedmen's Hospital to Howard University.
16. Extend coverage of old-age and survivors insurance system to Federal civilian employees and to physicians.
17. Broaden medical aid for aged through voluntary Federal-State programs.
18. Revise military service reimbursement to railroad retirement and old-age and survivors and disability insurance trust funds.

LABOR AND WELFARE

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recom- mended new obli- gational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Promotion of education:				
National Science Foundation, science education.....	\$57	\$65	\$69	\$74
Department of Health, Education, and Welfare:				
Assistance to schools in federally affected areas:				
Present programs.....	258	264	173	102
Proposed legislation.....			60	93
Defense education program.....	129	161	190	194
Vocational education and other.....	65	73	79	80
Other, primarily Bureau of Indian Affairs.....	60	64	69	73
Promotion of science, research, libraries, and museums:				
National Science Foundation, basic research.....	63	90	119	138
Department of Commerce:				
Bureau of the Census.....	100	38	19	17
National Bureau of Standards and other.....	17	28	54	77
Other.....	31	47	58	40
Labor and manpower:				
Department of Labor:				
Grants for administration of employment services and unemployment compensation ¹	325			
Repayable advances to unemployment trust fund.....		36	-42	
Other.....	29	47	48	47
Other, primarily Selective Service System and National Labor Relations Board.....	57	64	66	67
Promotion of public health:				
National Institutes of Health.....	348	439	516	540
Hospital construction and research grants and activities.....	146	157	170	153
Grants for construction of health research facilities.....	26	26	25	30
Community and environmental health.....	58	75	101	104
Grants for construction of waste treatment facilities.....	40	41	43	50
Other.....	199	234	240	251
Public assistance:				
Present programs.....	2,061	2,162	2,290	2,291
Proposed legislation for medical care for the aged.....			25	25
Correctional and penal institutions.....	46	49	52	52
Other welfare services:				
School lunch and special milk programs:				
Present programs.....	234	245	155	326
Proposed legislation to extend special milk program.....			94	95
Other, primarily vocational rehabilitation.....	68	78	84	105
Total.....	4,419	4,483	4,759	* 5,025

¹ By law the receipts and expenditures for employment security grants are shown as trust fund transactions for 1961 and 1962, and as budget transactions for 1960.

² Compares with new obligational authority of \$4,574 million enacted for 1960 and \$4,937 million (including \$34 million in anticipated supplemental appropriations) estimated for 1961.

housing loans and readjustment aid to veterans, but excluding indirect assistance through research contracts and grants.

In the last few years, it has become increasingly clear that the national interest requires an expansion of Federal activities in the field of education. Accordingly, I recommended in 1958, and the Congress enacted, the National Defense Education Act to assist students, particularly those interested in science, mathematics, and languages, and to help States improve school facilities and services. I have also recommended repeatedly and again recommend the enactment of temporary legislation to provide Federal assistance for construction of primary and secondary school classrooms and for construction of college classrooms and supporting facilities.

As outlined in last year's budget message, the proposed program would stimulate and assist in the construction of \$3 billion of public elementary and secondary schools in the next 5 years by a Federal commitment to pay half the debt service (principal and interest) on school bonds. The cost to the Federal Government over a 30-year period would be about \$2 billion. To help institutions of higher education finance construction of required facilities, the legislation would authorize a 5-year program which would provide (1) Federal guarantees of principal and interest on \$1 billion of non-tax-exempt bonds to be sold by colleges to private investors and (2) Federal grants, payable over 20 to 35 years, of 30% of the principal of \$2 billion of bonds to be issued by colleges. The aggregate Federal cost of the aid to institutions of higher education would be about \$600 million.

The precise requirements for Federal aid to local school districts are difficult to determine because of the inadequacy of available information on the classroom needs of districts in various parts of the country and on their financial capacity to meet these needs. Accordingly, funds are included in the budget for improvement of education statistics, including data on local school construction requirements and the actions local communities and States are taking to meet them.

National Science Foundation educational activities.—Expenditures of \$69 million in 1962 are estimated for graduate fellowships in science and mathematics and for other programs to train new scientists, to improve the teaching of science and mathematics, and to stimulate interest in scientific careers. This represents more than a fourfold expansion in the training programs of the National Science Foundation in 5 years.

Schools in federally affected areas.—The Federal Government has recognized an obligation to assist school districts in which enrollments are significantly increased by its activities. Legislation for this purpose was enacted as a temporary measure during the Korean emer-

gency. However, legislation providing aid to districts with children whose parents both reside and work on Federal property was made permanent in 1958. The budget provides funds required to meet Federal obligations under this program.

The programs of assistance to school districts on behalf of pupils whose parents work on Federal property but live on private taxable property expire on June 30, 1961. This budget includes \$93 million to cover the cost of extending the program for operating grants, but on a modified basis which would discharge more equitably than the expiring legislation the Federal responsibility to these districts. In the case of construction grants, where general aid for needy districts is again proposed, no separate provision is included for continuing the special program for federally affected districts. It is recommended, furthermore, that the Congress defer consideration of any extension legislation until after it has considered and enacted the broad program of Federal aid for school construction which is being recommended. The Congress would then be in a better position to determine the kind of support which should be provided to discharge the Government's obligations to these areas.

Defense education program.—The National Defense Education Act, which will be in its fourth year in 1962, the last under the current authorization, has provided outstanding assistance to American education. Expenditures under this act in 1962 are estimated to be \$190 million, an increase of \$29 million from 1961. The proposed 1962 appropriation of \$194 million will provide modest increases for fellowships, language and cultural training centers, counseling institutes, and area vocational programs. The amount requested for student loans for 1962 is estimated at the 1961 level pending further information as to the rate of applications.

I am again recommending repeal of the provision of the National Defense Education Act that requires a student seeking aid to supply an affidavit stating that he does not believe in or belong to any organization that teaches the illegal overthrow of the Government. This requirement is unwarranted and discriminatory.

Science and research (including libraries and museums).—The advancement of our national security and welfare depends in great measure upon the strength and progress of American science. The Federal Government plays a major role in the development of the Nation's scientific capacity through the research programs of many agencies.

Expenditures for promotion of science, research, libraries, and museums in 1962 are estimated to be \$251 million, which is \$48 million more than in 1961 and over three times the amount 5 years earlier.

In addition to these figures, there are large amounts of expenditures for research and development included in other functional categories.

New scientific knowledge which stems from basic research is indispensable to the technological progress of modern industrialized society. Expenditures of \$119 million are estimated for general purpose basic research grants by the National Science Foundation, chiefly for research projects and facilities, including the support of national research centers and the improvement of graduate school laboratories. This represents an increase of \$29 million over 1961 and a sevenfold expansion in these activities in 5 years. Many other agencies are engaged in the support and conduct of basic research where it is recognized that such fundamental research is important and desirable in the attainment of their objectives.

Increased funds are included in the budget for the National Bureau of Standards, particularly for the completion of the major laboratories and service buildings at its new Gaithersburg, Md., site. Expansion is also provided in the regular scientific program of the Bureau, including initiation of a program for research projects abroad financed with foreign currencies which the Government holds in excess of its normal needs.

Certain scientific areas of broad national interest have been given special attention in recent years by the Federal Council for Science and Technology. These include long-range programs for oceanography, high-energy physics, and the atmospheric sciences, which will be further expanded under this budget. Part of the financing of these activities is included in other functional categories.

The scientific program for the Antarctic is developed, financed, and managed by the National Science Foundation with logistic support from the Department of Defense. Under this program the United States is cooperating with many other nations in the peaceful development of the Antarctic.

Government statistical services.—An estimated \$56 million in obligations is provided throughout the budget for gathering, processing, and disseminating the statistical information which is used by Government, private institutions, and individuals in policy formulation and decision making. Increases in 1962 for collecting the regular recurring statistics are more than offset by the decrease from the funds required in 1961 for the Eighteenth Decennial Census.

Further improvement is planned in the scope and reliability of statistical data on current economic and social conditions. These include information on retail and service trade, foreign trade, manufacturing, construction, crop and livestock production, prices, manpower utilization, characteristics of the unemployed labor force, health and medical care, vital statistics, and education. Provision

is also made for completion of the processing and publication of the results of the 1960 decennial census, for taking the 1962 Census of Governments, for planning the 1963 economic censuses, and for continuing a substantial portion of the work, begun over a year ago, looking toward a major revision of the Consumer Price Index.

Labor and manpower.—The manpower programs of the Department of Labor and other labor agencies help maintain an efficient labor market and a healthy national climate in labor-management relations.

Employment security.—Of particular importance are the job placement services and unemployment compensation payments made through the State employment security offices. In addition to general job placement services, farm people are assisted in finding industrial work and workers in depressed areas are helped in finding jobs in other areas.

Last year the administration proposed, and the Congress enacted, amendments to the Social Security Act that placed Federal receipts and expenditures for the employment security program on a trust fund basis starting July 1, 1960. This is the same arrangement that is used for other social insurance programs. Expenditures for this program are now expected to exceed the 1961 tax receipts, and the Treasury, as authorized by present law, will advance to the trust fund the additional \$36 million needed in 1961. This advance will be repaid with interest in 1962 from the excess of receipts which will come from the increased Federal unemployment tax rate taking effect on January 1, 1961, from 0.3% to 0.4% of covered payrolls.

Based on the level of claims for unemployment compensation, this budget estimates \$41 million more than enacted to date for the limitation on 1961 grants to States for administering unemployment insurance and employment services. Together with the \$326 million already enacted, this brings the estimated 1961 requirement to \$366 million, which is in excess of the \$350 million annual ceiling established by the Social Security Act Amendments of 1960. In view of the number of workers now filing claims for unemployment compensation, it is necessary to ask the Congress to remove this ceiling so that adequate funds can be provided to pay claims promptly.

Last year, coverage of unemployment compensation was extended to about 60,000 additional workers, but further legislation is still needed to extend unemployment compensation to some 3 million workers, most of whom are employed in small businesses employing fewer than 4 workers each. Such action, together with action by States to increase the amount and duration of unemployment compensation benefits, would provide more adequately against economic hardship for the Nation's work force. This program has proved to

be one of the most successful means for combining the interest of the economy as a whole with the interest of the individual worker.

Other labor programs.—In the last several years the operating programs of the Department of Labor have been strengthened by additional funds and new legislation. The 1962 budget provides an increase of \$4 million in appropriations to strengthen further such activities of the Department as the enforcement of the Labor-Management Reports Act and the statistical and research programs of the Bureau of Labor Statistics.

Last year the Secretary of Labor endorsed expanded coverage and a moderate adjustment in the level of the minimum wage under the Fair Labor Standards Act. This recommendation is repeated. Legislation should also be enacted to make the Welfare and Pension Plan Disclosure Act more effective. Legislation is again proposed to assure equal pay for equal work and to improve the laws relating to hours of work and overtime pay on Federal construction projects.

Health.—Americans enjoy a high standard of health service. About three-quarters of the more than \$25 billion devoted annually to health services and facilities in this country is being spent through private channels. However, State and local as well as Federal agencies also play an important role.

Promotion of public health.—The Federal Government's contribution toward improved health care for the American people has been increasing rapidly in recent years. Expenditures for the promotion of public health in 1962 are estimated at \$1.1 billion, more than twice the amount spent only 5 years earlier. Total Federal expenditures for all health programs in the various categories of this budget (including military and veterans hospitals) are about \$4 billion.

In 1962, expenditures by the National Institutes of Health for medical research and training will represent about half the total spent for promotion of public health. The programs of the National Institutes will have multiplied more than threefold from 1957 to 1962.

The budget for 1962 recommends appropriations of \$540 million for the National Institutes, compared to the \$560 million enacted by the Congress for 1961. While this is \$20 million less than the 1961 appropriation, it actually represents a substantial program increase for medical research and training. The reduction results from the elimination in 1962 of nonrecurring projects and from the transfer of programs to other parts of the Public Health Service which were included in the total for the National Institutes of Health for 1961. These decreases more than offset increases for new research activities. Expenditures by the Institutes will rise by an estimated \$76 million in 1962.

Appropriations of \$153 million for hospitals, mainly construction grants, are recommended for 1962. Although this is less than the level of appropriations for 1961, it will not result in a decrease in federally assisted hospital construction. On the contrary, it is anticipated that expenditures in 1962 for this program will be at an alltime high because of the prior authorizations and the volume of construction which has been initiated but not yet completed. The appropriation recommended for 1962 will permit initiation of new projects for general hospital beds, which, together with construction not federally assisted, will be sufficient to provide for growth in population, cover current obsolescence, and reduce the backlog by over 5,000 beds. The 1962 appropriation will also permit starting the same volume of new projects for specialized facilities for long-term care as is provided for in the appropriation for the current year. In recognition of the need for medical care facilities and the continuing rise in the cost of hospital services, new legislation is proposed to encourage coordinated community and regional planning of hospital facilities, to augment research on design and operation of hospitals, and to permit use of grants for high priority modernization projects.

Federal grants for construction of health research facilities in the last 5 years have materially helped expand our Nation's medical research capacity. This budget continues appropriations for this purpose at the full authorization of \$30 million.

One of our greatest national health needs is the expansion of existing schools and establishment of new schools to train doctors and dentists. The shortage of physicians, already a critical factor in the rising cost of medical care, will become increasingly acute as the population and the demand for medical services increase. The Congress should at an early date enact legislation to authorize \$100 million of matching grants over a 5-year period to stimulate construction of additional medical and dental school facilities.

Legislation should also be enacted to authorize a loan guarantee program to facilitate the construction of clinics for the group practice of medicine and dentistry. The sharing of such clinics by groups of physicians and dentists is economical in terms of reducing capital expenditures for such purposes and leads to more complete care for the patient by enabling the practitioners to combine their diverse skills.

In our urbanized and industrial society, environmental and community health is assuming increasing importance. Appropriations of \$104 million for 1962 are proposed for Public Health Service activities in these fields. Increased funds are provided to augment the research and operating arms of the Public Health Service in the fields of air pollution, water pollution, community sanitation, and radiological health control activities. Larger amounts are also proposed for

community health service activities to make the benefits of improved medical knowledge more widely and quickly available. Legislation is again recommended to authorize greater Federal leadership in combating air pollution.

The budget also includes an appropriation of \$50 million for construction of waste treatment works, the full amount authorized for this program. These funds will help stimulate local action to correct immediate pollution problems. The control of water pollution is principally a local responsibility and requires greater financial and enforcement efforts by local interests. The Federal Government can most appropriately assist State and local governments through legislation (1) to strengthen its enforcement powers under the Federal Water Pollution Control Act and (2) to provide flexibility assuring that highest priority is given to waste treatment construction grants for projects which contribute to the reduction of pollution of interstate and coastal streams. Legislation to accomplish these and related objectives should be enacted by the Congress.

Of daily importance to each of us is the work of the Food and Drug Administration in establishing and enforcing standards of safety for food and drugs. The 1962 budget continues a long-standing policy of strengthening this agency, which in 1962 will spend three times as much as it did 5 years earlier.

Legislation should be enacted to transfer Freedmen's Hospital to Howard University and to provide for construction of a new teaching hospital. Such legislation would give essential support to Howard University's program of medical education and end the divided responsibility and control now existing.

Social insurance and other welfare.—Since the Social Security Act first became law in 1935, the United States has made great strides in its public income maintenance programs, both under the social security system and other public retirement systems. Today 93% of our workers are protected under the basic old-age, survivors, and disability insurance program or under other Federal or State-local retirement systems. To assist the unemployed we also have the Federal-State unemployment insurance system, and the Federal Government further provides or helps finance assistance to needy groups through other programs.

In 10 years the benefit payments made because of loss of income due to old age, death, disability, or unemployment under Federal, State, and local programs have trebled, rising in the calendar year 1960 to approximately \$26 billion, of which about \$24 billion was paid from federally administered or federally aided programs. Benefits were paid during the calendar year 1960 to an average of more than

20 million families or single persons. The cost of these benefits, 6% of our national income, is funded from employee and employer contributions and taxes. Benefit payments and taxes under laws already in effect will increase greatly over the years.

Social insurance.—The Federal old-age, survivors, and disability insurance system now covers 9 out of 10 American workers and their families. In fiscal year 1962 it will pay \$12.9 billion in benefits to an average of 16.5 million people of all ages, including 12 million persons aged 65 and over. Coverage should be extended to Federal civilian employees and self-employed physicians, the largest groups of regularly employed persons in our economy not now covered by this system.

Benefit payments and administrative costs are paid from trust funds supported by payroll taxes shared equally by workers and employers and from contributions of the self-employed. The combined employer-employee rate is now 6% of covered payrolls. Under present law it will rise by steps to 9% in calendar year 1969. Expenditures for the administration of this vast insurance system will be increased in fiscal year 1962 to cope with the increased workloads resulting from extension of disability protection to workers below age 50 and from other amendments enacted by the last Congress.

Public assistance.—Total Federal expenditures for public assistance and medical aid in 1962 under existing law are estimated to increase by \$128 million over 1961, largely reflecting the cost of the newly enacted medical assistance program for the aged. In 1962, the Federal share of payments for an average of 6.3 million recipients is estimated to be \$2.3 billion, which is 58% of the total. Caseloads for old-age assistance and aid to the blind are declining moderately, while caseloads for aid to dependent children and aid to the permanently and totally disabled are increasing.

Medical care for the aged.—In recent years, the American people have greatly improved their ability to obtain and pay for medical care through private and nonprofit health organizations. This approach has produced excellent results and should be preserved.

However, some aged persons are finding it increasingly difficult to pay for the medical services which they require. Medical and institutional care for the aged financed by public funds (Federal, State, and local) is currently estimated to cost over \$1 billion annually. The last Congress authorized substantial expansion in Federal assistance for medical care of the aged through (1) increased Federal participation under the regular old-age assistance program and (2) a new program of medical assistance for the aged who are not recipients of public assistance but who nevertheless require aid to pay their medical and hospital bills.

In the 1962 budget, \$400 million is included in the amount shown for public assistance for the old and the new programs of medical care for the aged. There will be a substantial increase in these expenditures in future years under existing law as additional States participate in these programs.

Extension of medical care assistance to the aged through a voluntary program under Federal-State-local auspices—as authorized by the Congress—is sound national policy both from a fiscal standpoint and from the standpoint of encouraging the widest participation of private as well as public agencies in the improvement of medical care for this group. However, under the program approved by the Congress many of the aged will still not be able to obtain needed protection against catastrophic hospital and medical expenses even though under ordinary circumstances they are able to pay their normal medical bills. The Congress is therefore urged to broaden the existing program in keeping with the recommendations which were made by this administration last spring. This would further increase the number who receive assistance.

Public action in providing assistance for medical care and the sharply rising costs of hospital and medical care underline the need for more adequate information regarding medical costs and the best methods of organizing to meet them. This budget provides for augmented research in medical economics under the Department of Health, Education, and Welfare. Likewise, it expands the related program of research and demonstration projects on causes of dependency for which appropriations were first authorized last year.

Military service credits.—Both the Railroad Retirement Act and the Social Security Act provide that military service during certain periods of military conflict should be counted toward the rights of employees in determining benefits even though the employee made no contribution during this period. As has been previously indicated, it is appropriate for the Federal Government to reimburse the trust funds for the cost of benefits paid on the basis of such military service credits. But it is not sound policy for the Government to pay more than the true cost of such benefits or to pay both the railroad retirement and old-age and survivors and disability insurance trust funds for the same military service credits, as the present law requires.

Under statutes now in effect the Federal Government has paid the railroad retirement account an estimated \$400 million more than the estimated cost of military service benefits. At the same time the Federal Government is obliged to reimburse the old-age and survivors and disability insurance trust funds for an estimated \$450 million for military service benefits. The Congress is again urged to enact legislation to recover the overpayments to the railroad retirement account

and to transfer them to the social security trust funds to cover the Government liability. Pending action on such legislation, no appropriations are included in this budget for military service payments to these trust funds.

Other welfare services.—Between 1950 and 1960, the number of disabled people rehabilitated annually through the Federal-State rehabilitation program increased by 48%, to 88,000. The budget for 1962 includes enlarged appropriations of \$97 million for this program, mostly for grants to State agencies for the rehabilitation of an estimated 103,000 persons.

The authorization for the special milk program, financed by the Commodity Credit Corporation, expires June 30, 1961. Appropriations are recommended in this budget to reimburse the Corporation for costs of the 1960 and 1961 operations. This program was originally established as a temporary measure to aid the dairy industry. An evaluation presently under way in the Department of Agriculture will provide a basis for determining the proper level of the program. Pending the results of this evaluation, an appropriation of \$95 million is included under proposed legislation to provide for a continuation of the special milk program in 1962 through a regular annual appropriation. Including this amount, grants to the States through the school lunch and special milk programs of the Department of Agriculture would be \$250 million in 1962.

Our society must continue to encourage all our citizens to achieve the maximum degree of self-realization and economic independence. There are two large groups which as a nation we have recognized must be given special attention—the 16 million aged persons and the 65 million children and young people under 18. A White House Conference on Children and Youth was held last spring. Widespread local and State preparations have been made also for this month's White House Conference on Aging. Such conferences can help State, local, and Federal agencies, as well as private organizations and individuals, to increase opportunities for the aged and for the youth of our land.

VETERANS SERVICES AND BENEFITS

Budget expenditures for veterans programs are estimated to total \$5.3 billion in 1962, which is \$69 million more than in 1961. Continued increases in pensions for non-service-connected disabilities and deaths and in costs of medical care are expected to be largely offset by a decrease in readjustment benefits for veterans of the Korean conflict.

Expenditures for pensions are estimated to increase in 1962 principally because World War I veterans and survivors of World War II

veterans will continue to be added to the pension rolls. These additions reflect both the number of World War I veterans reaching age 65 by 1962 who will be able to meet the eligibility standards, and the effect of the liberalizations provided in the Veterans' Pension Act of 1959.

The decline in the education and training assistance provided to veterans of the Korean conflict foreshadows the approaching end of this second historic venture in providing readjustment assistance for wartime service.

Henceforth, the bulk of the veterans expenditures will be for pensions, compensation, and medical care benefits. Because of the growth in non-service-connected disability and survivor pension costs, veterans expenditures will continue to increase for many years under laws now in effect.

In the 6-year period 1957-62, annual pension, compensation, and medical care expenditures will have risen by over \$1 billion. This increase is in part the result of liberalizations in pension laws and improved standards of medical care. It also results from the advancing age of our veterans, which makes more of them or their survivors eligible for benefits. The trends are illustrated by the fact that from 1957 to 1962 there will be a net increase of 750,000, or about 20%, in disability and survivor cases on the rolls. Of the 22½ million living veterans, 1 out of every 7 will be receiving compensation or pension benefits at the end of 1962.

An increasing proportion of the total expenditures of the Veterans Administration is attributable to disabilities, diseases, or deaths not related to military service. Between 1957 and 1962, non-service-connected costs will increase by 70%, rising from less than one-third to nearly one-half of all budget expenditures for veterans services and benefits.

This trend raises serious questions about the further expansion of veterans programs, particularly since veterans, their dependents, and survivors of veterans total about 80 million people or over two-fifths of our total population. The improvement in recent years of general

<i>Veterans Services and Benefits:</i>			
BUDGET TOTALS			
	[In billions]		
	1960 actual	1961 estimate	1962 estimate
Expenditures.....	\$5.1	\$5.2	\$5.3
New obligational authority.....	5.2	5.4	5.0
—————			
LEGISLATIVE PROPOSALS			
1. Discontinue special home loan guarantee program for World War II veterans.			
2. Authorize vocational rehabilitation benefits for peacetime ex-servicemen with service-connected disabilities.			

VETERANS SERVICES AND BENEFITS

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Readjustment benefits:				
Education and training.....	\$383	\$233	\$128	\$72
Loan guarantee and other benefits.....	132	131	77	9
Unemployment compensation.....	5			
Compensation and pensions:				
Service-connected compensation.....	2,049	2,038	2,026	2,026
Non-service-connected pensions.....	1,263	1,512	1,717	1,487
Burial and other allowances.....	56	55	55	55
Hospitals and medical care.....	904	982	1,025	1,025
Hospital construction.....	57	63	66	75
Insurance and servicemen's indemnities.....	33	31	27	40
Other services and administration.....	179	182	174	174
Total.....	5,060	5,227	5,296	4,963

¹ Compares with new obligational authority of \$5,169 million enacted for 1960 and \$5,438 million (including \$58 million in anticipated supplemental appropriations) estimated for 1961.

welfare programs, for which veterans as well as others are eligible, coupled with the improvements in veterans programs, has reduced the justification for providing additional special benefits to veterans on the basis of non-service-connected factors. Any further expansion of non-service-connected benefits would create serious inequities of treatment between veterans and others in our population. I particularly oppose measures which would increase or make available non-service-connected pensions for veterans of World War I contrary to the principle of need incorporated in the Veterans' Pension Act of 1959.

Readjustment benefits.—Expenditures for readjustment assistance, estimated in 1962 at \$205 million, continue their decline from a post-Korean high mark of about \$900 million in 1957. The principal reduction is in the education and training program, in which the average number of Korean conflict veterans participating will be reduced to 85,000 in 1962, compared to 288,000 in 1960 and 170,000 in 1961.

The previous Congress extended until July 25, 1962, the home loan guarantee program as it applies to veterans of World War II. The direct loan program was similarly extended for both Korean conflict veterans and World War II veterans. It is clear that continuation of

direct loan assistance and of loan guarantee assistance is no longer required to help World War II veterans in their readjustment to civilian life 15 years after the end of that war.

Veterans, like other citizens, can and should participate in the regular housing programs when their special readjustment needs resulting from military service have passed. The loan guarantee program for World War II veterans should therefore be terminated as of July 25, 1961. Changes proposed in the veterans direct loan program have been described with other housing programs elsewhere in this message.

Legislation is again recommended to provide vocational rehabilitation for peacetime ex-servicemen having substantial service-connected disabilities. This would add to other benefits which the Federal Government provides peacetime ex-servicemen, such as unemployment compensation, employment service, and reemployment rights. On the other hand, there is no justification for the extension of special educational or housing benefits to peacetime ex-servicemen. Such benefits cannot be justified by conditions of military service and are inconsistent with the incentives which have been provided to make military service an attractive career for capable individuals.

Compensation and pensions.—Expenditures for service-connected death and disability compensation benefits continue a slow decline from their 1959 peak as compensation rolls are reduced by the deaths of veterans or their widows and by the transfer of many aging veterans to pension rolls. These decreases are offset in small part by the addition of veterans of the Korean conflict and of peacetime ex-servicemen or their survivors. Compensation will be paid to an average of 2,397,000 veterans and survivors of veterans in 1962 compared to 2,410,000 in 1961 and 2,428,000 in 1960.

The continued rise in expenditures for non-service-connected pensions, however, will more than offset the decline in compensation payments. Approximately half of all World War I veterans over 65 will be receiving pensions by the end of 1962, and the pension rolls will carry an average of nearly 2 million veterans and survivors in 1962. The Veterans' Pension Act of 1959 is expected to increase expenditures by adding over 100,000 new beneficiaries to the rolls at an estimated additional cost of \$77 million in 1961. These additional expenditures also reflect higher rates for many veterans on the rolls before July 1, 1960.

Hospitals and medical care.—The budget includes expenditures of approximately \$1 billion for hospital and medical care for eligible veterans in 1962, an increase of \$43 million over 1961. The increase

will permit continued improvement in the quality of medical care in the hospitals and clinics. The new 1,000-bed hospital at Brecksville, Ohio, is scheduled to be opened in 1962 and the new Palo Alto, Calif., hospital addition will be fully activated. Hospital and domiciliary care will be provided for an average of 141,500 beneficiaries per day in Veterans Administration, contract, and State facilities, and a total of 3,622,000 visits for medical services are expected to be made by veterans to outpatient clinics and to private physicians on a fee basis.

Hospital construction.—An appropriation of \$75 million is proposed for 1962, the same as for 1961, as the second step in carrying out a 12-year hospital modernization program of \$900 million initiated in 1961. Of the 1962 appropriation, \$26 million will be for construction of a 1,250-bed replacement hospital at Wood (Milwaukee), Wis., \$11 million will be for replacement of 500 beds at Charleston, S.C.; the remainder will be for planning a new 580-bed general hospital at Atlanta, Ga., planning the replacement of approximately 1,000 beds in the Los Angeles, Calif., area, and for a large number of modernization projects.

Administration.—The general operating expenses of the Veterans Administration (other than the direct costs of administration of medical, dental, and hospital services) in 1962 are expected to be \$162 million, slightly less than in 1961. Reductions in administrative costs are expected to accrue in future years from the program now under way to convert the recording and payment of veterans benefits to automatic data processing equipment.

INTEREST

Interest payments are estimated to decrease by \$400 million to \$8.6 billion in the fiscal year 1962. These payments are almost entirely for interest on the public debt and represent 11% of budget expenditures.

INTEREST

[Fiscal years. In millions]

Item	New obligational authority and budget expenditures		
	1960 actual	1961 estimate	1962 estimate
Interest on public debt.....	\$9,180	\$8,900	\$8,500
Interest on refunds of receipts.....	76	83	83
Interest on uninvested funds.....	10	10	10
Total.....	9,266	8,993	8,593

Market rates of interest have been decreasing from the levels prevailing last year. This makes it possible for the Treasury to pay, on the average, lower interest on securities issued to refinance maturing obligations. The reduction in the public debt during the year, facilitated by the surplus in the budget in 1960 as well as currently, is also helping to a lesser extent to reduce interest payments.

GENERAL GOVERNMENT

Expenditures for general government activities are estimated to rise by \$89 million to \$2.1 billion in the fiscal year 1962. The increase is primarily for more construction of Government buildings and for strengthening the tax collection system.

Central fiscal operations.—The 1962 budget includes an increase of \$36 million in new obligational authority to \$450 million for the

GENERAL GOVERNMENT

[Fiscal years. In millions]

Program or agency	Budget expenditures			Recommended new obligational authority for 1962
	1960 actual	1961 estimate	1962 estimate	
Legislative functions	\$109	\$137	\$130	\$100
Judicial functions	49	53	56	56
Executive direction and management	12	14	15	15
Central fiscal operations:				
Internal Revenue Service.....	360	412	446	450
Other.....	198	207	218	218
General property and records management	367	417	467	516
Central personnel management and employment costs:				
Department of Labor.....	190	212	216	216
Civil Service Commission:				
Present programs.....	21	74	95	95
Proposed legislation.....			—45	—45
Civilian weather services	54	57	66	70
Protective services and alien control	217	241	247	250
Territories and possessions, and the District of Columbia:				
District of Columbia.....	28	48	66	63
Other.....	63	75	81	75
Other general government	28	34	12	17
Total	1,695	1,982	2,071	¹ 2,096

¹ Compares with new obligational authority of \$1,664 million enacted for 1960 and \$2,073 million (including \$131 million in anticipated supplemental appropriations) estimated for 1961.

*General Government:***BUDGET TOTALS**

[In billions]

	1960 <i>actual</i>	1961 <i>estimate</i>	1962 <i>estimate</i>
Expenditures	\$1.7	\$2.0	\$2.1
New obligational authority . . .	1.7	2.1	2.1

LEGISLATIVE PROPOSALS

1. Authorize consolidated annual reporting of wages for income and social security tax purposes.
2. Charge civil service benefits for certain widows and retired employees to trust fund after 1961.
3. Revise laws regulating Government employment of retired military personnel.
4. Provide annuities for widows and dependent children of Tax Court judges.
5. Restore home rule to the District of Columbia.
6. Authorize nonvoting territorial deputies for Guam and the Virgin Islands.
7. Establish uniform policies governing (1) local taxes imposed on contractor use of Federal property and (2) payments in lieu of taxes.
8. Include goal of price stability in Employment Act.
9. Amend immigration and nationality laws.
10. Enact civil rights legislation.
11. Create additional Federal judgeships.
12. Reimburse citizens for certain World War II property damage.
13. Authorize civilian achievement awards.
14. Incorporate Alaska Railroad.

Internal Revenue Service. This will finance the second year's cost of a program to provide more effective enforcement of our tax laws and will thus reduce the revenue losses which arise from the failure of some individuals and businesses to report their incomes fully or accurately. Ultimately, all aspects of tax administration capable of being mechanized will be handled electronically. With the growth of the economy, tax returns are increasing in volume and necessarily become more complex. Installation of the new and modernized system for the processing of these returns will make possible the collection of taxes with lower expenditures than would otherwise be the case. Legislation should be enacted to authorize the adoption of tax account numbers which are needed for mechanical and electronic processing.

Legislation to authorize the consolidated reporting by employers of wages for income tax and social security purposes should also be enacted. Such legisla-

tion would produce considerable savings for both employers and the Government by reducing paperwork and would also help in enforcing the tax laws. Nearly 4 million employers could be relieved of the need to file for social security purposes 14 million separate quarterly wage reports each year covering over 230 million wage items. The

Treasury Department and the Department of Health, Education, and Welfare have already agreed on the cooperative steps to be taken for improved administration of the tax laws and the social security system once such legislation is enacted.

Presidential office space.—There is a pressing need for providing future Presidents with modern and efficient office facilities. My experience during the last 8 years strongly confirms the conclusion of the Advisory Commission on Presidential Office Space that present facilities “are outmoded, overcrowded, inefficient, and not consistent with effective and well coordinated management of the highest office of the executive branch of the Government.” The Commission recommended: (1) a new building to house only the White House office on the site of the existing Executive Office Building; (2) a new building for other units of the Executive Office; and (3) remodeling of the west wing of the White House for use as quarters for visiting dignitaries.

As a first step in carrying out these recommendations, the Congress should provide funds for constructing a new Executive Office Building on the west side of Lafayette Square, and this budget includes \$26 million of new obligational authority for this purpose. More than two decades ago, the Congress wisely provided new quarters for the Supreme Court of the United States. In recent years, major improvements and expansions have been made in the facilities necessary to carry on the increasingly complex and important duties of the legislative branch. The next logical step is to remedy the serious deficiencies in the office space of the Chief Executive of the United States. I strongly urge the Congress to give early attention to the needed building as well as to the other recommendations of the Commission.

General property and records management.—New obligational authority of \$516 million is requested for the general property and records management activities of the General Services Administration, predominantly for management of existing buildings, construction of new buildings, purchase and distribution of supplies, and custody of Government records. Of this total, \$212 million is for the construction of Federal office buildings, \$26 million more than enacted for 1961. Budget expenditures for new buildings will be \$169 million in 1962, nearly 50% above the 1961 level. This large increase results from an acceleration in construction initiated in 1959 to remedy some serious deficiencies of space which interfere with effective operations in many Federal agencies.

The expanded program of the General Services Administration for improving the utilization of excess Federal personal property is accomplishing significant results. Transfers of property in 1962 from agencies having an excess to those which can use it are expected to be

\$350 million valued at acquisition cost, compared to \$218 million in 1960.

As a part of an overall program for improving supply management, the responsibility for the procurement and distribution of subsistence items for the civilian agencies has been centralized in the Veterans Administration. Substantial progress has also been made toward centralizing in the Veterans Administration the procurement and distribution of medicines, drugs, and pharmaceuticals for the civilian agencies. Progress is also being made in transferring from the Department of Defense to the General Services Administration responsibility for managing the supplies of certain items which are used by civilian agencies as well as by the military services.

Central personnel management and employment costs.—Appropriations of \$147 million are recommended in 1962 for the Department of Labor to provide unemployment compensation for former Federal civilian employees and ex-servicemen. Another \$69 million will be required for workmen's compensation for present and past Federal employees. The new obligational authority recommended for the Civil Service Commission includes \$26 million to finance the Government's share of the new health benefits programs for retired Federal personnel. The remaining appropriations in this category are predominantly for administration of the civil service system.

A long-range policy should be established for financing the civil service retirement system, which covers over 90% of Federal civilian employment. Previous recommendations to accomplish this objective should be enacted. This legislation would assure continued availability in the fund of the full amount of the net accumulations from employee contributions and would establish a definite basis for meeting the Government's share of the costs consistent with the principle that its full faith and credit support the authorized benefits.

Under present law, an appropriation of \$45 million would be required for 1962 to finance the cost of civil service retirement benefits enacted in 1958 for certain retired employees and certain widows or widowers of former employees. Without this appropriation these benefits could not be continued. Legislation is again recommended to assure that in 1962 and later years such benefits are paid from the civil service retirement and disability fund on the same basis as other benefits, without specific annual appropriation.

A number of outmoded and inconsistent statutes now regulate the employment and compensation of retired military personnel in civilian positions with the Government. We should replace this legal maze with a single, rational statute which would eliminate unnecessary dual payments, adequately safeguard the civilian career service, and permit the Government to hire members of this group possessing needed skills under conditions that are fair to the individual.

Efforts must be continued to improve Federal job evaluation and other pay practices so as to make Federal pay, including that at the executive level, more comparable with private enterprise. This is essential to recruit and retain superior personnel for Federal programs, particularly in the middle and upper professional and managerial positions, and to overcome the severe competitive disadvantages with which the Federal Government must now contend in recruiting personnel.

To help attain this objective, the accuracy of comparisons of Federal salary rates with private business rates should be improved. Funds are recommended in this budget for the Department of Labor to continue its recently expanded surveys which provide annual reports on salaries currently paid in private business. In time the Federal Government should make full use of this information as a guide in fixing salaries for its own officers and employees.

Legislation should be enacted to provide a system of survivorship annuities for the widows and dependent children of judges of the Tax Court of the United States comparable to the system already in effect with respect to the other Federal courts.

Civilian weather services.—The successful launching of meteorological satellites has created vast possibilities for increasing our knowledge about the atmosphere and for improving daily weather services and forecasts. To realize some of this potential, an appropriation increase of \$9 million over 1961, to a total of \$70 million, is recommended for the Weather Bureau for 1962. This increase will provide for the establishment of processing facilities to permit the immediate use of worldwide cloud data received from satellites, as well as for increased research in applying this new source of information to improve understanding of atmospheric motion. The budget also continues the efforts of the past several years to transfer to Weather Bureau appropriations the financing of certain meteorological activities of other Federal agencies which are national in scope and serve both civilian and military needs.

Territories, possessions, and District of Columbia.—The expenditures required to meet the Federal share of the financing of governmental operations in the District of Columbia will increase substantially in 1962, primarily because of loans authorized in prior years to meet capital requirements of the area, including a metropolitan sewage system to connect with the Dulles International Airport.

A constitutional amendment to permit residents of the District to vote for President and Vice President is now before the States for ratification. The States should act promptly on this amendment.

Another basic step, recommended on many past occasions, would be the restoration of home rule for the 764,000 District of Columbia residents. I repeat my recommendation in this respect. Such local self-government is essential not only to carry out our democratic principles but also to remove excessive and unnecessary responsibilities from the Federal Government.

To promote the further development of democratic institutions, and in keeping with the growth of local self-government, the Congress should authorize representation of the Virgin Islands and Guam in the Congress through nonvoting territorial deputies.

Intergovernmental relations.—Federal financial assistance to State and local governments plays a large role in financing their operations. In 1962 such aid, including budget and trust funds, will amount to \$7.9 billion and account for a substantial portion of total annual State and local revenues. Continuous attention must be given to Federal-State-local fiscal interrelationships so that they reflect the proper distribution of responsibilities. The Advisory Commission on Intergovernmental Relations established in 1959 can make an important contribution through its work in reexamining intergovernmental relations and fiscal problems.

In this field, a uniform Federal policy is needed (1) defining immunity from local taxation on the use or possession of Federal property in the custody of contractors and lessees, and (2) governing payments in lieu of taxes made by the Government to localities on certain real properties. Legislation on these matters should be enacted in accordance with the recommendations made by the administration in the last session of the Congress, which call for partial restoration of immunity from taxation of Federal property in the hands of contractors or lessees and authorization of a system of payments in lieu of taxation on certain real properties in cases of local hardship.

Other recommendations.—It is again recommended that the Employment Act of 1946 be amended to make reasonable price stability an explicit goal of Federal economic policy, coordinate with the goals of maximum production, employment, and purchasing power now specified in that Act.

In support of our position of world leadership, legislation is again recommended to liberalize and modernize our immigration laws. The quota system should be brought up to date by revising the methods of determining, distributing, and transferring quotas, and the total number of immigrants admitted under quotas should be doubled. A permanent program for admission of refugees should also replace the inadequate and piecemeal legislation now in effect.

The enactment of the Civil Rights Acts of 1957 and 1960, the activities of the Department of Justice in enforcing these statutes, and the contribution of the Civil Rights Commission in identifying basic problems and legislative action required, represent significant progress in the field of civil rights. To permit the Commission to explore more thoroughly the necessity for further legislation in this field, its life should be extended for another 2 years. As part of an effort to extend civil rights in education to all our citizens, the Congress should enact legislation to assist State and local agencies to meet costs of special professional services needed in carrying out public school desegregation programs. Also, legislation should be enacted to establish a Commission on Equal Job Opportunity to make permanent and expand, with legislative backing, the important work of the President's Committee on Government Contracts.

The seriously congested conditions in the courts require that the Congress give early consideration to the creation of additional Federal judgeships as proposed by the Judicial Conference.

It is important that the Congress enact legislation, such as that passed by the House of Representatives last year, to reimburse Americans for certain World War II property damage.

A system of awards to recognize outstanding civilian achievements should also be established, as previously recommended.

Legislation should be enacted to incorporate the Alaska Railroad to place its operations on the same basis as other Federal activities of this type.

Last spring, legislation was introduced in the Congress to enlarge and change the boundaries of the site for the National Cultural Center in accordance with the design for the structure contemplated as a national center for the performing arts on the banks of the Potomac. It is important that such legislation be enacted as early as possible so that the fund-raising activities of the Center's Board of Trustees may be energetically continued.

I have repeatedly urged construction of a freedom monument symbolizing the ideals of our democracy as embodied in the freedoms of speech, religion, press, assembly, and petition. I still believe such a living, ever-building monument would be fitting.

IMPROVEMENTS IN BUDGETING

The budget process is a means of establishing Government policies, improving the management of Government operations, and planning and conducting the Government's fiscal role in the life of the Nation. Whether that role is increasing, decreasing, or remaining unchanged,

Budget Improvement:

LEGISLATIVE PROPOSALS

1. Establish revolving funds for major business-type activities.
2. Extend budget provisions of the Government Corporation Control Act to certain mixed-ownership corporations.
3. Review and reduce number of permanent appropriations.
4. Repeal requirements for reservations of foreign currencies, and require accounting for their use in the same way as dollar transactions.
5. Eliminate requirements for annual authorizations for continuing programs.
6. Authorize the item veto for appropriation bills.

the budget process is perhaps our most significant device for planning, controlling, and coordinating our programs and policies as well as our finances. Thus, the President and the Congress will always need to give attention to the improvement and full utilization of the budget system.

Improvements in presentation.—The budget totals in this document reflect a technical accounting adjustment which affects budget expenditures and budget receipts equally,

and does not affect the budget surplus for any year. This is the exclusion from the totals of expenditures and receipts, for all years shown in this document, of certain interfund transactions, mainly interest payments to the general fund of the Treasury by wholly owned Government enterprises which have borrowed from the Treasury. The amounts involved continue to be included in the figures for each function and for each agency, but are deducted in one sum to reach expenditure totals. Similarly, they continue to be included as miscellaneous budget receipts of the Treasury, but are deducted to arrive at the total of budget receipts. Since the beginning of the present fiscal year, various statements and reports on Government financial operations have been eliminating these interfund payments from budget totals.

Steady progress is being made in applying the principles of performance budgeting. In this budget, the appropriation pattern or activity classifications of several agencies and bureaus have been improved and greater use is being made of program and workload measurement data. Cost-type budgets, which present the most adequate measure of financial performance, are used for more than 80 appropriation accounts for the first time. With these additions, about two-thirds of the appropriation accounts are now presented on a cost-type basis.

Funding arrangements.—Recommendations placed before the Congress in this budget are again based upon the principle that authority

to incur budget obligations and make expenditures should be granted in appropriation acts, rather than in substantive legislation handled outside the regular appropriation process. Of course, the budget totals include—as they have for many years—all of the new obligational authority actually granted each year and the subsequent spending, no matter what the method by which provided. The Congress ought to pass upon all new obligational authority in a regular systematic way as part of the appropriation process. We must never be led into thinking that special funding arrangements, which are a claim against budget receipts or borrowing, are somehow not a part of the budget or not a cost to the taxpayers.

From time to time, the Congress has enacted legislation and appropriations under which additional sums become available for obligation and expenditure annually without further congressional action. These are so-called permanent appropriations. In a few cases, such as interest on the public debt, permanent obligational authority may be desirable. In many other cases, however, permanent appropriations give unnecessary preferential treatment. A complete congressional review is needed of all such provisions of permanent authority, including those to use borrowed money, to enter into contracts ahead of appropriations, and to use collections to supplement appropriations. Those provisions which cannot be fully justified at this time should be repealed.

It is again recommended that major business-type activities of the Government be placed on a revolving fund basis, through which receipts can be used to meet obligations and expenditures, subject to annual review and control by the Congress. Such a system, which is presently applied successfully to all of the Government-owned corporations and many unincorporated Government enterprises, provides a clear display of the business-type nature of these activities, their income or loss from current operations, and the extent to which they are adding to or using up the Government's capital assets. In accordance with legislation enacted in response to a previous recommendation, the loan guarantee program of the Veterans Administration is thus presented in this budget. Legislation should be enacted to provide revolving funds for the Farmers Home Administration, the Bureau of Reclamation, and the power marketing agencies of the Department of the Interior.

A few mixed-ownership Government corporations having authority to draw money from the Treasury or to commit the Treasury for future expenditures are presently outside the Government's budget system. This is largely because of the unrealistic and inconsistent distinction the law now makes between wholly owned and mixed-ownership Government corporations, even though both may affect the Government's finances. All Government corporations with such authority,

namely, the Federal Deposit Insurance Corporation, the banks for cooperatives, and the Federal intermediate credit banks, should be brought within the flexible budget provisions of the Government Corporation Control Act, and thus within the normal budgetary and reporting structure of the Government.

The extensive recommendations made a year ago for the control of foreign currencies generally were adopted by the Congress, and this action has proved helpful in obtaining more adequate budget control of these resources. However, there still remain various special provisions of law, requiring reservations of currencies for certain programs, that hinder the Government in making the wisest use of the foreign currencies coming into its hands. They should be repealed. Expenditures of all foreign currencies owned by the Government and used for its activities should be controlled through the annual budget process and should be accounted for in the same way as dollar expenditures.

The budget process in the Congress.—Although the President presents one budget for the entire Government to the Congress each year, the Congress considers the budget in a multitude of pieces rather than as a whole. The financing methods outside the regular appropriation process, already mentioned, are but one phase of this problem. Another is the tendency to require a double budget process each year for certain agencies—requiring them, first, to seek legislation to authorize appropriations annually and, second, to seek their appropriations. The subcommittee arrangement and time schedule for processing appropriation requests further fragments the budget process. The complete separation of the handling of tax legislation from the consideration of appropriations and expenditures adds to the total problem.

The Congress should therefore provide a mechanism by which total receipts and total appropriations (and expenditures) can regularly be considered in relation to each other. Further, substantive legislation with respect to all continuing programs should be written so that new legislation is not required each year, thus permitting the budget and appropriation process to proceed in an orderly manner:

In accordance with recommendations of the second Hoover Commission, legislation was enacted in 1958 authorizing the Congress to establish limitations on accrued expenditures as a means of enabling more direct control over spending. Limitations were proposed for selected accounts in the last two budgets, but were rejected by the Congress without exception. Therefore, and since the law providing for accrued expenditure limitations expires in April 1962, no such limitations are proposed in this budget.

Provision of item veto.—Future Presidents should have the authority to veto items of appropriation measures without the necessity of disapproving an entire appropriation bill. Many Presidents have recommended that this authority be given to our Chief Executive, and more than 80% of the States have given it to their Governors. It is a necessary procedure for strengthening fiscal responsibility. As in the case of other vetoes, the Congress should have the authority to override an item veto.

In my first budget message to the Congress, I described the philosophy of this administration in the following words:

By using necessity—rather than mere desirability—as the test for our expenditures, we will reduce the share of the national income which is spent by the Government. We are convinced that more progress and sounder progress will be made over the years as the largest possible share of our national income is left with individual citizens to make their own countless decisions as to what they will spend, what they will buy, and what they will save and invest. Government must play a vital role in maintaining economic growth and stability. But I believe that our development, since the early days of the Republic, has been based on the fact that we left a great share of our national income to be used by a provident people with a will to venture. Their actions have stimulated the American genius for creative initiative and thus multiplied our productivity.

This philosophy is as appropriate today as it was in 1954. And it should continue to guide us in the future.

Over the past 8 years, we have sought to keep the role of the Federal Government within its proper sphere, resisting the ever-present pressures to initiate or expand activities which could be more appropriately carried out by others. At the same time, the record of this administration has been one of action to help meet the urgent and real needs of a growing population and a changing economy. For example, Federal expenditures between 1953 and 1961 for aids to education have more than doubled; outlays for public health have more than tripled; civil aviation expenditures have more than quadrupled; highway expenditures are five times the 1953 level; and urban renewal expenditures are more than seven times as great.

The major increases in spending which have taken place have not been devoted to the tools of war and destruction. A military posture of great effectiveness and strong retaliatory capability has been maintained without increasing defense expenditures above 1953, despite

rising costs. We have, fortunately, been able to direct more of our public resources toward the improvement of living conditions and the enlargement of opportunities for the future growth and development of the Nation.

By applying the test of necessity rather than desirability to the expenditures of government, we have made significant progress in both public and private affairs during the past 8 years. And it is significant that requirements have been met while holding budget expenditures to a lesser proportion of the national income than in 1953.

The 1962 budget has been designed to promote further advancement for all of our people on a sound and secure basis. In that spirit, I commend it to the consideration of the next administration and the Congress.

DWIGHT D. EISENHOWER.

JANUARY 16, 1961.

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 1962

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-owned 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 five 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 received by collecting officers and placed

under accounting control. Other receipts are reported on the basis of confirmed deposits.

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

Under the *checks-issued* basis which is used, expenditures are reported for the fiscal year in which the checks are issued, regardless of when the obligation was incurred or when the goods and services were received. Modifications in this basis are made as follows: (a) Where payment is made in cash instead of by check, the cash payment is an expenditure; (b) where payment is made by the issuance of debt or by an increase in its 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.

Nonexpenditure transfers.—Transfers to the general fund of earnings and dividends on capital of revolving funds are treated as nonexpenditure transactions of the revolving funds and do not affect budget receipts, just as the investment of general fund capital in a revolving fund does not affect either expenditures or receipts. None of these transactions involves any expense. Dividends and capital returns are called "capital transfers" and are reported in special analysis F of part IV.

Deductions from both receipts and expenditures.—Certain expenses of revolving funds require payments from such funds to the general fund; for example, interest on borrowings. The amounts of such payments are included in the expenditures for the funds concerned and in the receipts of the general fund. The amounts are deducted as a lump sum in arriving at total budget receipts and total budget expenditures for the Government. Details are reported in special analysis F of part IV.

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 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 supplemental budget items, not provided for in the appropriation text in this budget, but planned for formal transmittal 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 lump-sum item, but in the form of a number of specific appropriations for individual items.

As a general rule, where legislation is proposed to extend or renew the authorization for current programs, this budget includes, in part II, recommendations for the necessary new obligational authority in the form of detailed estimates ready for congressional consideration when action on the authorizing legislation will allow.

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 1962; 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 transactions of certain 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 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.

TABLE 1
SUMMARY OF BUDGET RECEIPTS AND EXPENDITURES

Based on existing and proposed legislation

[In millions of dollars]

Description	1960 actual	1961 estimate			1962 estimate		
		Under existing laws and author- izations enacted or recom- mended	Proposed for later trans- mission	Total	Under existing laws and author- izations enacted or recom- mended	Proposed for later trans- mission	Total
BUDGET RECEIPTS (special analysis B):							
Individual income taxes.....	40,715	43,300		43,300	45,500		45,500
Corporation income taxes.....	21,494	20,400		20,400	19,900	1,000	20,900
Excise taxes.....	9,137	9,322		9,322	7,222	2,503	9,725
Employment taxes.....	339						
Estate and gift taxes.....	1,606	1,900		1,900	1,953		1,953
Customs.....	1,105	1,083		1,083	1,115		1,115
Miscellaneous budget receipts.....	4,062	3,695		3,695	3,790	16	3,807
Total.....	78,457	79,700		79,700	79,480	3,520	83,000
Deduct interfund transactions (included in both receipts and expenditures) (special analysis F).....	694			676			667
Total budget receipts.....	77,763			79,024			82,333
BUDGET EXPENDITURES (special analysis C):							
Major national security.....	45,627	45,660	270	45,930	47,343	49	47,392
International affairs and finance.....	1,833	2,300	11	2,310	2,598	113	2,712
Veterans services and benefits.....	5,060	5,172	55	5,227	5,292	3	5,296
Labor and welfare.....	4,419	4,664	¹ -180	4,483	4,621	138	4,759
Agriculture and agricultural resources.....	4,838	4,914	21	4,936	5,080	21	5,101
Natural resources.....	1,713	1,899	53	1,951	2,064	74	2,138
Commerce, housing, and space technology.....	2,782	3,617	² 167	3,784	4,400	^{2 3} -1,030	3,371
General government.....	1,695	1,855	127	1,982	2,111	⁴ -40	2,071
Interest.....	9,266	8,993	⁽⁵⁾	8,993	8,593	⁽⁵⁾	8,593
Allowance for contingencies.....			25	25		100	100
Total.....	77,233	79,073	549	79,621	82,103	-571	81,532
Deduct interfund transactions (included in both receipts and expenditures) (special analysis F).....	694			676			667
Total budget expenditures.....	76,539			78,945			80,865
Budget surplus (+).....	+1,224			+79			+1,468

¹ Includes reduction of \$314 million reflecting proposed rescission of appropriations for employment security now provided from the Unemployment trust fund.

² Includes proposed postal rate increases of \$160 million in 1961 and \$843.1 million in 1962.

³ Includes proposed temporary premium rate increase of \$164 million for the Federal Home Loan Bank Board.

⁴ Includes proposal to charge to the trust fund civil service benefits amounting to \$44.6 million for certain widows and retired employees.

⁵ Less than one-half million dollars.

TABLE 2
SUMMARY OF BUDGET EXPENDITURES
BY AGENCY

[In millions of dollars]

Description	1960 actual	1961 estimate			1962 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.....	126	150	5	155	146	(¹)	147
The judiciary.....	49	51	2	53	55	1	56
Executive Office of the President.....	56	60	1	61	92	(¹)	92
Funds appropriated to the President:							
Mutual security—economic and contingencies.....	1,613	1,675		1,675	1,865	10	1,875
Other.....	143	43		43	25	50	75
Independent offices:							
Atomic Energy Commission.....	2,623	2,660		2,660	2,680		2,680
National Aeronautics and Space Administration.....	401	768	2	770	940	25	965
Veterans Administration.....	5,250	5,259	55	5,314	5,395	-27	5,369
Other.....	740	1,259	51	1,310	1,609	-207	1,402
General Services Administration.....	408	416	25	442	496	(¹)	496
Housing and Home Finance Agency.....	309	535	10	544	724	4	728
Department of Agriculture.....	5,419	5,684	54	5,739	5,595	187	5,782
Department of Commerce.....	539	502	9	511	593	-27	566
Department of Defense—Military.....	42,824	42,930	270	43,200	44,611	49	44,660
Department of Defense—Civil.....	902	981	4	986	984	(¹)	984
Department of Health, Education, and Welfare.....	3,403	3,631	85	3,716	3,919	86	4,005
Department of the Interior.....	690	767	18	785	871	2	873
Department of Justice.....	258	270	15	285	293	1	294
Department of Labor.....	549	532	-237	295	265	-42	223
Post Office Department.....	525	678	108	786	901	-838	63
Department of State.....	247	252	8	260	292	53	345
Treasury Department.....	10,131	9,927	31	9,958	9,686	2	9,688
District of Columbia.....	28	42	6	48	66		66
Allowance for contingencies.....			25	25		100	100
Total.....	77,233	79,073	549	79,621	82,103	-571	81,532
Deduct interfund transactions (included in both receipts and expenditures).....	694			676			667
Total budget expenditures.....	76,539			78,945			80,865

¹ Less than one-half million dollars.

TABLE 3
SUMMARY OF NEW OBLIGATIONAL AUTHORITY
BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In millions of dollars]

Description	1960 enacted	1961 estimate			1962 estimate		
		Enacted	Proposed for later transmission	Total	Recom- mended in this document	Proposed for later transmission	Total
BY FUNCTION							
Major national security.....	44,761	45,624	289	45,912	46,247	31	46,278
International affairs and finance.....	2,672	2,541	666	3,207	3,053	49	3,102
Veterans services and benefits.....	5,169	5,379	58	5,438	4,963		4,963
Labor and welfare.....	4,574	4,903	34	4,937	4,812	213	5,025
Agriculture and agricultural resources.....	5,151	4,673	23	4,696	4,585	19	4,605
Natural resources.....	2,533	1,910	139	2,049	2,012		2,012
Commerce, housing, and space technology.....	3,784	4,410	1203	4,612	4,749	1-756	3,993
General government.....	1,664	1,942	131	2,073	2,141	2-45	2,096
Interest.....	9,266	8,993	(3)	8,993	8,593		8,593
Allowance for contingencies.....			150	150		200	200
Total new obligational authority.....	79,574	80,374	1,693	82,068	81,156	-288	80,867
BY AGENCY							
Legislative branch.....	117	119	5	123	124		124
The judiciary.....	50	50	3	53	56		56
Executive Office of the President.....	63	71	1	72	116		116
Funds appropriated to the President:							
Mutual security—economic and contingencies.....	1,895	1,981	150	2,131	2,200		2,200
Other.....	12	7	500	507	13		13
Independent offices:							
Atomic Energy Commission.....	2,802	2,781		2,781	2,598		2,598
National Aeronautics and Space Administration.....	524	915	50	965	1,110		1,110
Veterans Administration.....	5,404	5,518	58	5,577	5,101		5,101
Other.....	2,038	1,415	31	1,446	1,446	-5	1,441
General Services Administration.....	283	494	25	520	556		556
Housing and Home Finance Agency.....	814	1,106	13	1,119	948		948
Department of Agriculture.....	5,684	5,233	128	5,361	5,395	114	5,509
Department of Commerce.....	571	539	9	549	565	47	612
Department of Defense—Military.....	41,959	42,820	289	43,108	43,609	31	43,640
Department of Defense—Civil.....	927	973	5	978	972		972
Department of Health, Education, and Welfare.....	3,515	3,823	86	3,909	3,908	118	4,026
Department of the Interior.....	750	805	32	837	888		888
Department of Justice.....	267	281	16	297	297		297
Department of Labor.....	555	547	-22	525	264		264
Post Office Department.....	646	614	113	728	906	-843	63
Department of State.....	270	255	13	268	302	49	351
Treasury Department.....	10,369	9,951	34	9,985	9,719		9,719
District of Columbia.....	62	73	6	79	63		63
Allowance for contingencies.....			150	150		200	200
Total new obligational authority.....	79,574	80,374	1,693	82,068	81,156	-288	80,867

¹ Includes proposed postal rate increase of \$160 million in 1961 and \$843.1 million in 1962.

² Includes proposal to charge to the trust fund civil-service benefits amounting to \$44,637 thousand for certain widows and retired employees.

³ Less than one-half million dollars.

TABLE 4
SUMMARY OF CHANGES IN STATUS OF PUBLIC DEBT

[In millions of dollars]

Description	1960 actual	1961 estimate	1962 estimate
EFFECT OF OPERATIONS ON CASH BALANCES AND PUBLIC DEBT			
Effect of operations on cash balances:			
Budget surplus or deficit (—).....	1,224	79	1,468
Trust fund operations, increase or decrease (—) in cash balances (table 10).....	88	—161	19
Public enterprise debt and investment transactions, net (special analysis F).....	—137	—786	73
Increase or decrease (—) in outstanding checks, deposits in transit, and similar items.....	—149	195	—59
Total effect of operations on cash balances.....	1,026	—674	1,500
Cash balances at start of year:			
In Treasury.....	5,350	8,005	5,900
Outside Treasury.....	988	984	984
Cash position resulting from operations.....	7,364	8,315	8,384
Less cash balances at close of year:			
In Treasury.....	8,005	5,900	5,900
Outside Treasury.....	984	984	984
Increase (—) or decrease in public debt.....	—1,625	1,431	1,500
Public debt at start of year.....	284,706	286,331	284,900
Increase or decrease (—) in public debt.....	1,625	—1,431	—1,500
Public debt at close of year.....	286,331	284,900	283,400
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION			
Public debt at close of year.....	286,331	284,900	283,400
Plus guaranteed obligations of Government agencies not owned by Treasury.....	140	222	255
Less debt not subject to statutory limitation.....	406	350	340
Debt subject to statutory limitation.....	286,065	284,772	283,315
Statutory limitation on debt at close of year.....	295,000	293,000	285,000
Maximum statutory limitation on debt during year.....	295,000	293,000	¹ 285,000

¹ An increase over \$285,000 million is being recommended, as indicated in the budget message.

TABLE 5

SUMMARY OF BUDGET AND TRUST TRANSACTIONS FOR FISCAL YEAR 1962

Based on existing and proposed legislation

[In millions of dollars]

Description	Budget funds (table 1)	Trust funds (table 10)	Interfund and other items (special analysis A)	Consolidated (special analysis A)
RECEIPTS				
Individual income taxes.....	45,500			45,500
Corporation income taxes.....	20,900			20,900
Excise taxes.....	9,725	3,288		13,013
Employment taxes.....		13,116		13,116
Estate and gift taxes.....	1,953			1,953
Customs.....	1,115			1,115
Miscellaneous budget and trust receipts.....	3,807	8,785	-5,044	7,548
Subtotal.....	83,000	25,189	-5,044	103,145
Deduct interfund transactions (included in budget receipts and expenditures).....	667		-667	
Total receipts.....	82,333	25,189	-4,377	103,145
EXPENDITURES				
Major national security.....	47,392	373	-16	47,749
International affairs and finance.....	2,712	12	-44	2,680
Veterans services and benefits.....	5,296	678	-7	5,967
Labor and welfare.....	4,759	19,615	-956	23,418
Agriculture and agricultural resources.....	5,101	21	-71	5,051
Natural resources.....	2,138	43	-3	2,178
Commerce, housing, and space technology.....	3,371	3,903	-129	7,145
General government.....	2,071	466	-117	2,420
Interest.....	8,593	(¹)	-1,973	6,620
Allowance for contingencies.....	100			100
Undistributed.....		44	-1,541	-1,497
Subtotal.....	81,532	25,155	-4,855	101,832
Deduct interfund transactions (included in budget receipts and expenditures).....	667		-667	
Total expenditures.....	80,865	25,155	-4,188	101,832
Excess of receipts over expenditures.....	1,468	35	-189	1,313

¹ Less than one-half million dollars.

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
- Department of Defense—Civil
- 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

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. Material is also included on a few trust funds which require congressional action.

This part of the budget begins with 4 summary 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 has summary tables, followed by details for each account.

SUMMARY TABLES AND THEIR CONTENTS

BUDGET AUTHORIZATIONS AND EXPENDITURES

Listing of accounts.—A principal table for each chapter shows the new obligational authority and budget expenditures by appropriation or fund account. It 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 funds, intragovernmental funds, and items proposed for later transmission. However, supplementals required in 1961 to cover the Federal employee pay increase enacted last year are shown with the accounts to which they relate.

Authorizations by type.—Forms of new obligational authority other than appropriations are set forth under the applicable account titles, identified by separate line entries. A recapitulation 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 summarized in table 7.

Expenditures from 1962 authority.—The final column shows the portion of the expenditures in the budget year which is estimated to result from new obligational authority for the same year. 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.

TRANSACTIONS OF PUBLIC ENTERPRISE FUNDS

A second table in each chapter is used for public enterprise funds. It shows gross expenditures, receipts from operations, and budget expenditures (the difference between the two other figures). Gross expenditures and 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.

UNEXPENDED BALANCES CARRIED FORWARD

An analysis of unexpended balances for each chapter shows 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 are carried forward 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.

The unobligated balance for each account 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 material which have been accepted but have not yet become receivables.

RELATIONSHIP OF TRANSACTIONS AND BALANCES

The relationship between new obligational authority, obligations incurred, and budget expenditures for each year is shown in another table of each chapter, and summarized for the Government in table 6.

The obligations incurred constitute the most significant step between the opening and closing entries. The other lines represent balances carried forward between years; transfers between chapters; and writeoffs, restorations, and adjustments.

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.

Writeoffs, restorations, and 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 canceling 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. Such restorations are netted in the table with other adjustments.

RECAPITULATION BY FUNCTION

The final table of each chapter summarizes the new obligational authority and expenditures according to the functional categories used in special analysis C of Part IV. Each line on this table consists of the total of the figures appearing on the first of the chapter summary tables opposite the corresponding functional code number.

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 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 separate schedules. Where the obligations fall in a single object class, the classification is identified in the program and financing schedule, rather than in a separate schedule.

For revolving funds, there are usually three additional schedules covering (5) sources and application of funds; (6) revenue, expense, and retained earnings; and (7) financial condition. For some intragovernmental funds the program and financing schedule is omitted.

APPROPRIATION LANGUAGE

The language proposed for inclusion in the 1962 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 1961 appropriation acts is used as a base. Following the language are citations to relevant laws and the appropriation act from which the text is taken, as in this example:

SALARIES AND EXPENSES

For necessary expenses, including 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, 1943 (5 U.S.C. 55a), [**\$8,912,500**] \$10,915,000. (15 U.S.C. 77a-77bbb, 78a-78jj, 79-79z-6, 80a1-80a52, 80b1-80b21; 11 U.S.C. 501-676; 5 U.S.C. 1001-1011; 60 Stat. 810; Independent Offices Appropriation Act, 1961.)

Roman type shows the text used in the 1961 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, costs or obligations are classified by purpose, program, or project.

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Full disclosure provisions	2,105	2,539	3,436
2. Prevention and suppression of fraud	3,229	3,693	4,051
3. Supervision and regulation of securities markets	217	243	254
4. Regulation of investment and public utility holding companies	500	650	744
5. Corporate reorganizations	288	329	330
6. Operational and business statistics	225	243	245
7. Executive and staff functions	932	1,049	1,087
8. Administrative services	681	772	790
Total program costs ¹	8,168	9,518	10,915
9. Unfunded adjustment to total operating costs: Property transferred in (-) without charge, net	-16	-4	
Total program costs, funded	8,152	9,514	10,915
10. Relations of costs to obligations:			
Costs financed from obligations of other years, net (-)	-58		
Obligations incurred for costs of other years, net		4	
Total obligations	8,094	9,518	10,915
Financing:			
Unobligated balance lapsing	6		
New obligational authority	8,100	9,518	10,915
New obligational authority:			
Appropriation	8,100	8,912	10,915
Proposed supplemental due to pay increases		605	

¹ Includes capital outlay as follows: 1960, \$45 thousand; 1961, \$32 thousand; 1962, \$59 thousand.

The financing section shows the appropriation provided and other means of financing the program, and the disposition of amounts not used during the year.

Where the data are available in the accounting system, cost-type budgets are presented, as in the preceding example. In such cases, 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 relation of costs to obligations is summarized in one or two lines on this schedule, but is amplified further in an additional table inserted in the narrative statement:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities)	18	6	10	10
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	81	35	35	35
Total selected resources at end of year	99	41	45	45
Selected resources at start of year (-)	-99	-41	-45	-45
Costs financed from obligations of other years, net (-)		-58		
Obligations incurred for costs of other years			4	

Obligations refer to orders placed, contracts awarded, loan agreements made, and services received during the year, regardless of the time of payment. Total obligations are always shown; activities are reflected on an obligation basis where cost data are not available. Appropriations or other obligational authority must be provided by the Congress before obligations can be incurred.

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.

SCHEDULE OF OBJECT CLASSIFICATION AND PERSONNEL SUMMARY

There is shown for each account a classification of obligations, costs, or accrued expenditures according to a uniform list of objects, as follows:

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	6,811	8,031	9,190
Positions other than permanent	25	18	20
Other personnel compensation	72	45	52
Total personnel compensation	6,908	8,094	9,262
12 Personnel benefits	432	566	647
21 Travel and transportation of persons	270	338	335
22 Transportation of things	5	10	10
23 Rent, communications, and utilities	213	220	312
24 Printing and reproduction	29	38	36
25 Other services	103	146	140
26 Supplies and materials	89	104	114
31 Equipment	45	32	59
Total obligations	8,094	9,518	10,915

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

The complete list of object classes is as follows:

10 PERSONAL SERVICES AND BENEFITS	30 ACQUISITION OF CAPITAL ASSETS
11 Personnel compensation	31 Equipment
12 Personnel benefits	32 Lands and structures
13 Benefits for former personnel	33 Investments and loans
20 CONTRACTUAL SERVICES AND SUPPLIES	40 GRANTS AND FIXED CHARGES
21 Travel and transportation of persons	41 Grants, subsidies, and contributions
22 Transportation of things	42 Insurance claims and indemnities
23 Rent, communications, and utilities	43 Interest and dividends
24 Printing and reproduction	44 Refunds
25 Other services	
26 Supplies and materials	

A personnel summary is appended to the object classification schedule, as illustrated:

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,000	1,090	1,235
Full-time equivalent of other positions.....	7	4	5
Average number of all employees.....	952	1,035	1,170
Number of employees at end of year.....	980	1,100	1,245
Average GS grade.....	8.9	9.2	9.3
Average GS salary.....	\$7,114	\$7,801	\$7,881

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

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 a presentation of funds applied and provided, other than borrowings and other financing transactions.

The statement generally reflects receipts 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 check-issued basis, as in the following example:

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	76	71	73
Operating expenses.....	3,071	2,736	2,930
Increase in selected working capital.....	259		
Total gross expenditures.....	3,406	2,807	3,003
Receipts from operations (funds provided):			
Revenue.....	5,473	3,674	4,154
Decrease in selected working capital.....		199	36
Total receipts from operations.....	5,473	3,873	4,190
Budget expenditures.....	-2,067	-1,066	-1,187

Since 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, provision 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	5,473	3,674	4,154
Expense.....	3,112	2,782	2,980
Net operating income for the year.....	2,361	892	1,174
Analysis of retained earnings:			
Retained earnings, beginning of year.....	2,061	3,089	2,485
Transfer to "Salaries and expenses, Mexican farm labor program," net.....	-1,327	-1,496	-1,519
Prior year adjustment, not affecting working capital.....	-6		
Retained earnings, end of year.....	3,089	2,485	2,140

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,369	2,939	2,607
Accounts receivable, net.....	18	11	14
Supplies.....	105	103	103
Deferred charges.....	170	150	150
Land, structures, and equipment, net.....	372	397	420
Total assets.....	4,034	3,600	3,294
Liabilities:			
Current.....	507	677	716
Government investment:			
Non-interest-bearing capital (start and end of year).....	438	438	438
Retained earnings.....	3,089	2,485	2,140
Total Government investment.....	3,527	2,923	2,578

The balance sheet excludes 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) interest-bearing capital, (b) non-interest-bearing capital, and (c) 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 normally appended to the balance sheet a schedule which shows the unobligated balance, relating it to the unexpended balance and showing the computation of the obligated balance as in the following example:

Status of Certain Fund Balance (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash.....	2,629	3,369	2,939	2,607
Obligated balance, net:				
Current liabilities.....	757	507	677	716
Unpaid undelivered orders.....	40	71	50	50
Accounts receivable, net, and cash in transit (-).....	-47	-18	-11	-14
Total obligated balance.....	750	560	716	752
Unobligated balance.....	1,879	2,810	2,223	1,855

TABLE 6
SUMMARY OF BUDGET AUTHORIZATIONS, OBLIGATIONS, EXPENDITURES, AND BALANCES

Based on existing and proposed legislation

[In millions of dollars]

Description	1960 actual	1961 estimate	1962 estimate
Total new obligational authority	79,574	82,068	80,867
Unobligated balances brought forward, start of year.....	34,708	37,565	32,691
Appropriations available in prior year (—).....	-472	-537	-579
Appropriations available from subsequent year.....	537	579	579
Unobligated balances rescinded (—).....	-83	-	-79
Unobligated balances lapsing (—).....	-1,259	-746	-431
Capital transfers from revolving funds to receipt accounts (—).....	-171	-194	-106
Unobligated balances carried forward, end of year (—).....	-37,565	-32,691	-30,091
Obligations incurred, net	75,270	86,044	82,851
Obligated balances brought forward, start of year.....	37,055	34,898	41,319
Adjustments of obligated balances in expired accounts.....	-193	-2	-8
Obligated balances carried forward, end of year (—).....	-34,898	-41,319	-42,630
Total	77,233	79,621	¹ 81,532
Deduct interfund transactions (included in both receipts and expenditures).....	694	676	667
Total budget expenditures	76,539	78,945	80,865

¹ Distributed as follows: Out of new obligational authority, \$55,218 million, and out of balances of prior authorizations, \$26,314 million.

TABLE 7
SUMMARY OF NEW OBLIGATIONAL AUTHORITY
BY TYPE OF AUTHORIZATION AND AGENCY

Based on existing and proposed legislation

[In millions of dollars]

Description	1960 enacted	1961 estimate			1962 estimate		
		Enacted	Proposed for later transmission	Total	Recom- mended in this document	Proposed for later transmission	Total
CURRENT AUTHORIZATIONS							
Appropriations:							
Legislative branch.....	112	114	5	118	124		124
The judiciary.....	49	50	3	53	56		56
Executive Office of the President.....	63	71	1	72	116		116
Funds appropriated to the President:							
Mutual security—economic and contingencies.....	1,895	1,981	150	2,131	2,200		2,200
Other.....	12	7	500	507	13		13
Independent offices:							
Atomic Energy Commission.....	2,650	2,660		2,660	2,598		2,598
National Aeronautics and Space Administration.....	524	915	50	965	1,110		1,110
Veterans Administration.....	5,153	5,367	58	5,426	4,950		4,950
Other.....	1,160	1,260	31	1,291	1,359	-5	1,355
General Services Administration.....	281	492	25	518	554		554
Housing and Home Finance Agency.....	161	193	13	207	545		545
Department of Agriculture.....	4,808	4,131	128	4,259	4,478	114	4,592
Department of Commerce.....	380	345	9	354	361	83	444
Department of Defense—Military.....	41,929	42,790	289	43,078	43,589	31	43,620
Department of Defense—Civil.....	925	971	5	976	970		970
Department of Health, Education, and Welfare.....	3,495	3,797	86	3,883	3,897	118	4,015
Department of the Interior.....	600	655	20	675	720		720
Department of Justice.....	267	281	16	297	297		297
Department of Labor.....	555	547	-22	525	264		264
Post Office Department.....	646	614	113	728	905	-843	63
Department of State.....	268	253	13	266	299	49	348
Treasury Department.....	1,073	929	34	963	1,097		1,097
District of Columbia.....	62	73	6	79	63		63
Allowance for contingencies.....			150	150		200	200
Total appropriations.....	67,066	68,499	1,681	70,180	70,568	-252	70,315
Appropriations to liquidate contract authorizations:							
Legislative branch.....	(19)	(21)		(21)	(6)		(6)
Independent offices.....	(116)	(145)	(22)	(167)	(152)		(152)
Housing and Home Finance Agency.....	(108)	(150)		(150)	(200)		(200)
Department of Agriculture.....	(28)	(30)		(30)	(35)		(35)
Department of Commerce.....	(188)	(181)		(181)	(213)	(-30)	(183)
Department of Health, Education, and Welfare.....	(1)	(1)		(1)	(1)		(1)
Department of the Interior.....	(45)	(45)		(45)	(48)		(48)
Total authorizations to liquidate contract authorizations.....	(505)	(573)	(22)	(594)	(654)	(-30)	(624)
Authorizations to expend from debt receipts:							
Independent offices:							
Veterans Administration.....	100						
Other.....	750						
Housing and Home Finance Agency.....	275	550		550	350		350
Department of Agriculture.....	491	577		577	428		428
Department of the Interior.....		1	12	13	15		15
Total authorizations to expend from debt receipts.....	1,616	1,128	12	1,140	793		793
Contract authorizations:							
Legislative branch.....	5	5		5			
Department of Agriculture.....		35		35			
Department of Commerce.....		36		36			
Department of Health, Education, and Welfare.....	9	15		15			
Department of the Interior.....		46		46			
Total contract authorizations.....	14	138		138			

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 of dollars]

Description	1960 enacted	1961 estimate			1962 estimate		
		Enacted	Proposed for later transmis- sion	Total	Recom- mended in this document	Proposed for later transmis- sion	Total
CURRENT AUTHORIZATIONS—Continued							
Reappropriations:							
Legislative branch.....	(¹)	(¹)		(¹)			
The judiciary.....	(¹)						
Independent offices:							
Atomic Energy Commission.....	153	121		121			
Other.....		(¹)		(¹)			
Department of Agriculture.....	1	49		49			
Department of Health, Education, and Welfare.....	(¹)	(¹)		(¹)			
Department of the Interior.....	(¹)	(¹)		(¹)	(¹)		(¹)
Treasury Department.....		(¹)		(¹)			
Total reappropriations.....	154	171		171	(¹)		(¹)
Total current authorizations.....	68,850	69,935	1,693	71,629	71,361	-252	71,108
PERMANENT AUTHORIZATIONS							
Appropriations:							
Legislative branch.....	(¹)	(¹)		(¹)	(¹)		(¹)
The judiciary.....	1						
Independent offices:							
Veterans Administration.....	1	1		1	1		1
Other.....	2	3		3	3		3
General Services Administration.....	2	2		2	2		2
Department of Agriculture.....	347	440		440	440		440
Department of Defense—Civil.....	2	2		2	2		2
Department of Health, Education, and Welfare.....	10	10		10	10		10
Department of the Interior.....	101	102		102	106		106
Department of Justice.....	(¹)	(¹)		(¹)			
Department of State.....	3	3		3	3		3
Treasury Department.....	9,296	9,022		9,022	8,622		8,622
Total appropriations.....	9,763	9,584		9,584	9,188		9,188
Authorizations to expend from debt receipts:							
Independent offices: Veterans Administration.....	150	150		150	150		150
Housing and Home Finance Agency.....	28	63		63	53		53
Department of Agriculture.....	6	1		1	8		8
Total authorizations to expend from debt receipts.....	185	214		214	211		211
Contract authorizations:							
Independent offices.....	125	152		152	84		84
Housing and Home Finance Agency.....	350	300		300			
Department of Agriculture.....	30				40		40
Department of Commerce.....	192	158		158	205	-36	169
Department of Health, Education, and Welfare.....	1	1		1	1		1
Department of the Interior.....	48	1		1	47		47
Total contract authorizations.....	746	612		612	375	-36	340
Reappropriations:							
Department of Defense—Military.....	30	30		30	20		20
Total permanent authorizations.....	10,724	10,439		10,439	9,795	-36	9,759
Total new obligational authority.....	79,574	80,374	1,693	82,068	81,156	-288	80,867

¹ Less than one-half million dollars.

TABLE 8
SUMMARY OF BALANCES AVAILABLE AT START OF YEAR

Based on existing and proposed legislation

[In millions of dollars]

Description	1960 actual		1961 actual		1962 estimate		1963 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS ENACTED OR RECOMMENDED IN THIS DOCUMENT								
Appropriations:								
Legislative branch.....	40	26	65	4	45	-2	17	(¹)
The judiciary.....	3		3		3		4	
Executive Office of the President.....	42	1	41	5	57	(¹)	80	
Funds appropriated to the President.....	1,491	50	1,423	40	1,467	19	1,534	(¹)
Independent offices.....	1,823	549	2,076	625	2,651	593	2,823	211
General Services Administration.....	161	261	136	110	264	42	349	11
Housing and Home Finance Agency.....	4	1	6	(¹)	6		11	
Department of Agriculture.....	143	332	148	395	274	335	261	319
Department of Commerce.....	232	119	234	136	356	33	352	17
Department of Defense—Military.....	23,878	7,565	22,350	8,688	24,934	5,965	24,818	5,149
Department of Defense—Civil.....	166	109	194	93	243	37	254	18
Department of Health, Education, and Welfare.....	906	186	1,015	197	1,270	166	1,264	138
Department of the Interior.....	184	60	200	47	257	19	281	14
Department of Justice.....	15	(¹)	21	2	30		30	(¹)
Department of Labor.....	14	171	8	(¹)	5		5	
Department of State.....	66	5	49	43	66	29	85	21
Treasury Department.....	92	12	103	218	142	201	171	201
District of Columbia.....		48		81		112		109
Total appropriations.....	29,262	9,496	28,071	10,684	32,070	7,549	32,339	6,209
Authorizations to expend from debt receipts:								
Funds appropriated to the President.....	179	170	264	65	211	89	218	69
Independent offices.....	911	7,952	1,337	8,563	1,764	8,156	1,937	7,819
Housing and Home Finance Agency.....	2,858	4,122	1,771	4,798	2,031	4,665	2,465	4,117
Department of Agriculture.....	1,165	1,776	1,079	1,889	1,082	815	1,008	513
Department of Defense—Civil.....				10	5	5	10	
Department of the Interior.....	(¹)		(¹)					15
Treasury Department.....	2	5,962	2	5,962	2	5,963	2	5,963
Total authorizations to expend from debt receipts.....	5,116	19,982	4,453	21,287	5,095	19,692	5,640	18,496
Contract authorizations:								
Legislative branch.....	1	61	23	24	20	11	15	10
Independent offices.....	82	48	110	29	102	22	47	7
Housing and Home Finance Agency.....	505	640	777	611	940	598	1,125	213
Department of Agriculture.....	8	30	10	30	11	35	13	38
Department of Commerce.....	154	42	153	47	170	44	127	
Department of Health, Education, and Welfare.....	1	1	1	1	1		1	
Department of the Interior.....	14	66	17	67	26	59	32	52
Total contract authorizations.....	766	889	1,092	808	1,269	769	1,360	320
Revolving and management funds:								
Legislative branch.....	-2	16	-7	16	-7	16	-7	16
Executive Office of the President.....	(¹)	1	(¹)	1	(¹)	1	(¹)	1
Funds appropriated to the President.....	679	226	744	400	1,164	257	1,452	256
Independent offices.....	229	756	268	895	304	896	348	849
General Services Administration.....	17	50	30	20	34	16	38	13
Housing and Home Finance Agency.....	228	619	250	724	264	793	246	1,129
Department of Agriculture.....	37	112	34	130	35	138	35	133
Department of Commerce.....	(¹)	31	1	34	-1	37	(¹)	35
Department of Defense—Military.....	391	2,429	-499	2,464	-113	2,073	-155	2,045
Department of Defense—Civil.....	40	30	47	24	40	21	34	23
Department of Health, Education, and Welfare.....	2	1	4	1	4	1	4	1
Department of the Interior.....	25	24	40	53	65	34	66	16
Department of Justice.....	-6	11	-7	11	-7	11	-7	11
Department of Labor.....	1	2	1	3	1	2	1	2
Post Office Department.....	257	34	366	7	303	7	308	7
Department of State.....	(¹)	(¹)	(¹)	(¹)	(¹)		(¹)	
Treasury Department.....	10	(¹)	9	3	7	3	7	2
Total revolving and management funds.....	1,911	4,341	1,282	4,786	2,094	4,304	2,371	4,539
Total balances of authorizations enacted or recommended in this document.....	37,055	34,708	34,898	37,565	40,528	32,315	41,710	29,563

¹ Less than one-half million dollars.

TABLE 8—Continued
SUMMARY OF BALANCES AVAILABLE AT START OF YEAR—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

Description	1960 actual		1961 actual		1962 estimate		1963 estimate	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
BALANCES OF AUTHORIZATIONS PROPOSED FOR LATER TRANSMISSION								
Appropriations:								
Legislative branch.....					(¹)			
The judiciary.....					1			
Executive Office of the President.....					(¹)			
Funds appropriated to the President.....					450	50	450	
Independent offices.....					52		58	5
General Services Administration.....						(¹)		(¹)
Housing and Home Finance Agency.....					4			
Department of Agriculture.....					73		1	
Department of Commerce.....					1		13	60
Department of Defense—Military.....					19		(¹)	
Department of Defense—Civil.....					(¹)			
Department of Health, Education, and Welfare.....					1		33	
Department of the Interior.....					2			
Department of Justice.....					1			
Department of Labor.....					(¹)			
Post Office Department.....					5			
Department of State.....					5		1	
Treasury Department.....					2			
Allowance for contingencies.....					125		225	
Total appropriations.....					741	50	781	65
Authorizations to expend from debt receipts:								
Department of the Interior.....						12		12
Revolving and management funds:								
Funds appropriated to the President.....					50	100	140	(¹)
Independent offices.....								194
Department of Labor.....						214		256
Total, revolving and management funds.....					50	314	140	450
Total balances of authorizations proposed for later transmission.....					791	376	920	527
Total balances available at start of year.....	37,055	34,708	34,898	37,565	41,319	32,691	42,630	30,091
RECAPITULATION								
Appropriations.....	29,262	9,496	28,071	10,684	32,811	7,599	33,120	6,274
Authorizations to expend from debt receipts.....	5,116	19,982	4,453	21,287	5,095	19,704	5,640	18,508
Contract authorizations.....	766	889	1,092	808	1,269	769	1,360	320
Revolving and management funds.....	1,911	4,341	1,282	4,786	2,144	4,618	2,511	4,989
Total balances available at start of year.....	37,055	34,708	34,898	37,565	41,319	32,691	42,630	30,091

¹ Less than one-half million dollars.

TABLE 9
SUMMARY OF EXPENDITURES OF PUBLIC ENTERPRISE FUNDS

Based on existing and proposed legislation

[In millions of dollars. 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		
	1960	1961	1962	1960	1961	1962	1960	1961	1962
Enacted or recommended in this document:									
Executive Office of the President.....	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Funds appropriated to the President:									
Mutual security—economic and contingencies.....	217	310	482	16	38	69	201	273	413
Other.....	236	156	71	106	126	58	130	30	12
Independent offices:									
Veterans Administration.....	362	267	427	174	184	261	187	83	166
Other.....	989	1,162	1,417	1,263	1,163	1,286	-274	-1	132
General Services Administration.....	2	(¹)	(¹)	6	3	2	-3	-2	-2
Housing and Home Finance Agency.....	2,631	2,142	2,496	2,334	1,621	1,790	298	522	706
Department of Agriculture.....	6,133	6,202	4,863	2,899	2,799	1,565	3,234	3,403	3,298
Department of Commerce.....	6	8	10	9	11	9	-2	-3	1
Department of Defense—Military.....	83	102	102	60	73	67	22	30	35
Department of Defense—Civil.....	108	125	119	110	116	119	-2	9	1
Department of Health, Education, and Welfare.....	3	4	4	4	4	4	(¹)	(¹)	(¹)
Department of the Interior.....	70	120	143	39	65	66	32	55	78
Department of Labor.....	3	3	3	5	4	4	-2	-1	-1
Post Office Department.....	3,920	4,373	4,504	3,432	3,506	3,662	488	866	842
Treasury Department.....	(¹)	(¹)	(¹)	15	3	4	-14	-2	-4
Total.....	14,765	14,977	14,643	10,472	9,715	8,968	4,293	5,261	5,675
Proposed for later transmission:									
Funds appropriated to the President: Mutual security— economic and contingencies.....			10			(¹)			10
Independent offices:									
Veterans Administration.....						30			-30
Other.....						164			-164
Housing and Home Finance Agency.....		8	4					8	4
Department of Labor.....		250	250		214	292		36	-42
Post Office Department.....		30	1		160	843		-130	-842
Total.....		288	264		374	1,330		-86	-1,065
Grand total.....	14,765	15,265	14,908	10,472	10,089	10,297	4,293	5,176	4,610

¹ Less than one-half million dollars.

LEGISLATIVE BRANCH

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
SENATE									
Current authorizations:									
Compensation of Senators.....	601	2,425	2,433	-----	2,433	2,412			
Mileage of the President of the Senate and of Senators.....	601	58	58	-----	58	58			
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	16,927	16,976	1,273	18,250	15,570			
Office of the Legislative Counsel of the Senate.....	601	206	217	15	232	202			
Contingent expenses of the Senate:									
Legislative reorganization.....	601	117	117	9	126	82			
Senate policy committees.....	601	248	249	19	268	237			
Joint Economic Committee.....	601	157	157	11	168	154			
Joint Committee on Atomic Energy.....	601	329	280	14	294	241			
Joint Committee on Printing.....	601	106	108	8	116	104			
Vice President's automobile.....	601	8	8	-----	9	8			
Automobile for the President pro tempore.....	601	8	11	-----	9	6			
Automobiles for majority and minority leaders.....	601	15	16	1	17	13	25,500	26,600	23,575
Furniture.....	601	39	31	-----	31	51			
Inquiries and investigations.....	601	4,212	3,568	229	3,797	4,148			
Folding documents.....	601	32	32	2	34	32			
Senate restaurants.....	601	85	85	-----	85	71			
Mail transportation.....	601	17	17	-----	17	16			
Miscellaneous items.....	601	2,062	1,974	34	2,008	2,009			
Postage stamps.....	601	46	56	-----	56	44			
Stationery (revolving fund).....	601	195	195	-----	195	180			
Communications.....	601	15	15	-----	15	10			
Joint Committee on Inaugural Ceremonies of 1961.....	601		250	-----					
Committee on Rules and Administration.....	601	10		-----		3			
Joint Committee on Navajo-Hopi Indian Administration.....	601			-----					
Payment to estates and widows of deceased Members of the Senate.....	601	45		-----		45			
Recording studio revolving fund.....	601			-----		-73			
Total, Senate.....		27,415	26,907	1,615	28,271	25,675	25,500	26,600	23,575
HOUSE OF REPRESENTATIVES									
Current authorizations:									
Compensation of Members.....	601	10,638	10,673	-----	10,672	10,544			
Mileage of Members and expense allowance of the Speaker.....	601	200	390	-----	200	186			
Salaries, officers and employees.....	601	7,123	6,990	541	7,709	6,701			
Members' clerk hire.....	601	16,300	16,300	1,222	17,522	15,699			
Contingent expenses of the House:									
Furniture.....	601	232	232	11	243	219			
Miscellaneous items.....	601	2,443	2,450	100	2,550	2,200			
Reporting hearings.....	601	150	150	-----	150	105			
Special and select committees.....	601	2,450	2,427	184	2,634	2,510			
Joint Committee on Internal Revenue Taxation.....	601	295	300	22	322	272			
Joint Committee on Immigration and Nationality Policy.....	601	20	20	-----	20				
Office of the Coordinator of Information.....	601	99	101	8	108	98			
Telegraph and telephone.....	601	1,300	1,275	-----	1,325	1,220			
Stationery (revolving fund).....	601	1,056	788	-----	788	890			
Attending physician's office.....	601	15	17	-----	17	15			
Postage stamps.....	601	184	184	-----	184	192			
Folding documents.....	601	220	250	-----	236	204			
Revision of laws.....	601	18	18	1	20	17			
Speaker's automobile.....	601	10	10	-----	10		44,211	46,870	43,604
Reappropriation.....	601	8		-----		8			
Majority leader's automobile.....	601	10	10	-----	19	9			
Minority leader's automobile.....	601	10	10	-----	19	8			
New edition of the United States Code.....	601	150		-----		85			
New edition of the District of Columbia Code.....	601			-----		7			

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
HOUSE OF REPRESENTATIVES—Continued									
Current authorizations—Continued									
North Atlantic Treaty Parliamentary Conference for 1959.....	601	80				51			
Payment to widows and heirs of deceased Members of Congress.....	601	135	22			135			
House of Representatives restaurant fund.....	601					-49			
House recording studio revolving fund.....	601					-33			
Capitol Police:									
General expenses.....	601	37	37		37	33			
Capitol Police Board.....	601	106	106	7	114	96			
Joint Committee on Reduction of Nonessential Federal Expenditures.....	601	25	25	2		25			
Education of Senate and House pages.....	601	62	64	4	68	62			
Compiling testimony in contested election cases.....	601				2				
Penalty mail costs.....	601	2,691	3,269		3,836	2,691			
Statement of appropriations.....	601	8	8		8	8			
Total, House of Representatives.....		46,074	46,124	2,103	48,812	44,207	44,211	46,870	43,604
ARCHITECT OF THE CAPITOL									
Current authorizations:									
Office of the Architect of the Capitol:									
Salaries.....	601	278	301	15	333	268	319	333	320
Contingent expenses.....	601	50	50		50	40	65	50	40
Capitol buildings and grounds:									
Capitol buildings.....	601	1,020	1,140	12	1,142	990	1,184	1,142	1,092
Capitol grounds.....	601	357	388		446	331	402	446	426
Subway transportation, Capitol and Senate Office Buildings.....	601	6	6		6	1	11	6	6
Senate Office Buildings.....	601	1,832	2,338	25	2,074	1,951	2,412	2,074	1,974
Legislative garage.....	601	116	48		79			79	74
Reappropriation.....	601		64			44	117	79	74
House Office Buildings.....	601	1,460	1,683	20	1,639	1,424	1,755	1,639	1,564
Acquisition of property, construction, and equipment, additional House Office Building:									
Liquidation of contract authorization.....	601	(16,500)	(18,000)		(6,000)				
Contract authorization.....	601	5,000	5,000			7,016	33,961	24,892	
Capitol Power Plant.....	601	1,902	2,029		2,052	1,872	2,096	2,052	1,852
Expansion of facilities, Capitol Power Plant (liquidation of contract authorization).....	601	(2,500)	(2,500)			555	597	4,399	
Extension of additional Senate Office Building site.....	601	200	140			1,533	301		
Additional office building for the United States Senate.....	601					2,351	958		
Changes and improvements, Capitol Power Plant (liquidation of contract authorization).....	601		(730)			861	509	1,469	
Extension of the Capitol.....	601					5,865	8,557	3,073	
Furniture and furnishings, additional Senate Office Building.....	601					184	181		
Reconstruction, repair, alteration, and improvements, Capitol Grounds.....	601								
Remodeling, Senate Office Building.....	601					90	124		
Library buildings and grounds:									
Structural and mechanical care.....	215	1,085	942		3,767				
Reappropriation.....	215		25			727	1,418	1,417	1,317
Furniture and furnishings.....	215	140	123		99	114	158	99	84
Additional library building:									
Liquidation of contract authorization.....	215		(75)				75		
Contract authorization.....	215	75							
Total, Architect of the Capitol.....		13,520	14,278	72	11,687	26,218	55,201	43,170	8,749
BOTANIC GARDEN									
Current authorizations:									
Salaries and expenses.....	215	328	352		489	327	375	489	489
Relocation of greenhouses.....	215					5	582		
Total, Botanic Garden.....		328	352		489	333	956	489	489

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
LIBRARY OF CONGRESS									
Current authorizations:									
Salaries and expenses.....	215	7,160	7,668	455	8,510	7,077	8,038	8,494	7,897
Copyright Office: Salaries and expenses.....	518	1,450	1,487	102	1,617	1,438	1,572	1,618	1,502
Legislative Reference Service: Salaries and expenses.....	601	1,455	1,660	120	1,809	1,436	1,758	1,807	1,695
Distribution of catalog cards: Salaries and expenses.....	215	1,981	2,013	88	2,387	1,910	2,109	2,369	2,083
Increase of the Library of Congress:									
General increase of the Library.....	215	350	400	-----	470	310	403	420	330
Increase of the law library.....	215	90	90	-----	90	96	95	92	60
Books for the Supreme Court.....	602	30	35	-----	38	29	36	38	35
Books for the blind: Salaries and expenses.....	214	1,619	1,711	12	1,786	1,320	2,010	1,767	1,215
Organizing and microfilming the papers of the Presidents: Salaries and expenses.....	215	107	107	6	113	95	134	117	79
Preservation of early American motion pictures.....	215	60	60	1	61	59	62	61	47
Revision of Annotated Constitution.....	215	-----	-----	-----	34	-----	-----	32	32
Permanent authorizations:									
Oliver Wendell Holmes devise fund (indefinite special fund).....	610	26	26	-----	15	68	95	86	-----
Intragovernmental funds:									
Advances and reimbursements.....	215	-----	-----	-----	-----	-24	5	-----	-----
Total, Library of Congress.....	-----	14,329	15,257	784	16,931	13,815	16,317	16,901	14,975
GOVERNMENT PRINTING OFFICE									
Current authorizations:									
Printing and binding.....	601	11,500	11,900	-----	13,400	12,245	12,163	13,300	12,200
Office of the Superintendent of Documents: Salaries and expenses.....	610	3,520	3,849	195	4,066	3,736	4,050	4,072	3,886
Intragovernmental funds:									
Government Printing Office revolving fund.....	610	-----	-----	-----	-----	-473	-3,435	-4,672	-----
Total, Government Printing Office.....	-----	15,020	15,749	195	17,466	15,508	12,778	12,700	16,086
Total new obligational authority and budget expenditures.....	-----	116,686	118,666	4,769	123,656	125,755	154,963	146,730	107,478
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....	-----	111,577	113,551	-----	123,641	} 125,755	} 150,429	} 146,495	} 107,478
Appropriations to liquidate contract authorizations.....	-----	(19,000)	(21,305)	-----	(6,000)				
Contract authorizations.....	-----	5,075	5,000	-----	-----				
Reappropriations.....	-----	8	89	-----	-----				
Permanent authorizations:									
Appropriations.....	-----	26	26	-----	15	} 4,534	} 235	} -----	} -----
Proposed for later transmission:									
Pay increase supplemental appropriations.....	-----	-----	4,769	-----	-----				
Total new obligational authority and budget expenditures.....	-----	116,686	123,435	123,656	125,755	154,963	146,730	107,478	107,478

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Senate.....		3,867		4,661		4,723		4,694
House.....		4,304		5,909		5,247		5,237
Senate Office Buildings, Architect of the Capitol.....	45	281	30	149		100		100
Acquisition of property, construction, and equipment, additional House Office Building, Architect of the Capitol.....	11,811	25,369		34,853		18,892		
Expansion of facilities, Capitol Power Plant, Architect of the Capitol.....		317	1,927	2,558		4,461		61
Extension of additional Senate Office Building site, Architect of the Capitol.....	1,495	1,495	157	162				
Additional office building for the United States Senate, Architect of the Capitol.....	1,962	3,397	733	1,046	89	89	89	89
Changes and improvements, Capitol Power Plant, Architect of the Capitol.....	1,012	2,109	927	1,248		1,469		
Furniture and furnishings, additional Senate Office Building, Architect of the Capitol.....	220	365	173	181				
Extension of the Capitol, Architect of the Capitol.....	11,533	18,232	4,239	12,367	854	3,810		737
Reconstruction, repair, alterations, and improvements, Capitol Grounds, Architect of the Capitol.....	19	19						
Remodeling, Senate Office Building, Architect of the Capitol.....	200	214	120	124				
Relocation of greenhouses, Botanic Garden.....	577	587	552	582				
General increase of the Library of Congress, Library of Congress.....	4	54	6	93		90		140
Increase of the law library, Library of Congress.....	1	44	16	37		32		30
Organizing and microfilming the papers of the Presidents, Library of Congress.....	38	47	34	59	30	38	26	34
Oliver Wendell Holmes devise fund, Library of Congress.....	370	370	329	329	259	259	187	187
Printing and binding, Government Printing Office.....	-3,419	2,107	-5,300	1,363	-3,400	1,100		1,200
Other.....		2,658		3,255		2,373		4,775
Subtotal.....	25,868	65,836	3,943	68,976	-2,168	42,683	302	17,284
Balances of anticipated pay increase supplementals included above.....						-235		
Total, appropriations.....	25,868	65,836	3,943	68,976	-2,168	42,448	302	17,284
Contract authorizations:								
Acquisition of property, construction, and equipment, additional House Office Building, Architect of the Capitol.....	55,000	55,000	20,053	43,500	11,215	30,500	10,445	24,500
Expansion of facilities, Capitol Power Plant, Architect of the Capitol.....	5,433	6,047	3,250	3,250	198	750		750
Changes and improvements, Capitol Power Plant, Architect of the Capitol.....	730	730	730	730				
Additional Library Building, Architect of the Capitol.....			75	75				
Total, contract authorizations.....	61,163	61,777	24,108	47,555	11,414	31,250	10,445	25,250
Revolving and management funds:								
Advances and reimbursements, Library of Congress.....	239	579	227	593	227	588	227	588
Government Printing Office revolving fund.....	15,373	12,791	16,022	8,912	15,598	7,898	15,470	7,870
Total, revolving and management funds.....	15,612	13,370	16,249	9,505	15,825	8,486	15,697	8,458
Proposed for later transmission:								
Anticipated pay increase supplemental appropriations.....						235		
Total, legislative branch.....	102,645	140,983	44,299	126,034	25,071	82,419	26,444	50,992

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	116,686	123,435	123,656
Unobligated balances brought forward, start of year.....	102,645	44,299	25,071
Unobligated balances lapsing (-).....	-407		
Capital transfers from revolving funds to receipt accounts (-).....	-4,351	-4,450	-4,700
Unobligated balances carried forward, end of year (-).....	-44,299	-25,071	-26,444
Obligations incurred, net	170,274	138,213	117,583
Obligated balances brought forward, start of year.....	38,338	81,735	57,348
Adjustments of obligated balances in expired accounts.....	-1,122	-7,638	-3,652
Obligated balances carried forward, end of year (-).....	-81,735	-57,348	-24,548
Budget expenditures	125,755	154,963	146,730

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Labor and welfare:						
214 Promotion of education.....	1,619	1,723	1,786	1,320	2,010	1,767
215 Promotion of science, research, libraries, and museums.....	11,376	12,330	16,021	10,697	13,453	13,590
Total, labor and welfare	12,995	14,053	17,807	12,017	15,463	15,357
Commerce, housing, and space technology:						
518 Other aids to business.....	1,450	1,589	1,617	1,438	1,572	1,618
General government:						
601 Legislative functions.....	98,664	103,689	100,113	108,940	137,182	130,231
602 Judicial functions.....	30	35	38	29	36	38
610 Other general government.....	3,546	4,070	4,081	3,331	710	-514
Total, general government	102,240	107,794	104,232	112,300	137,928	129,755
Total, legislative branch	116,686	123,435	123,656	125,755	154,963	146,730

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, \$2,433,370. (*Legislative Branch Appropriation Act, 1961.*)

MILEAGE OF PRESIDENT OF THE SENATE AND OF SENATORS

For mileage of the President of the Senate and of Senators, \$58,370. (*Legislative Branch Appropriation Act, 1961.*)

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, 1961.*)

COMPENSATION OF THE VICE PRESIDENT OF THE UNITED STATES

For the compensation of the Vice President of the United States, \$37,775. (*Legislative Branch Appropriation Act, 1961.*)

EXPENSE ALLOWANCE OF THE VICE PRESIDENT

For expense allowance of the Vice President, \$10,000. (*Legislative Branch Appropriation Act, 1961.*)

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, [\$112,140] \$120,550. (*Legislative Branch Appropriation Act, 1961.*)

CHAPLAIN

Chaplain of the Senate, [\$8,195: *Provided*, That effective July 1, 1960, the gross compensation of the chaplain of the Senate shall be \$8,195 per annum] \$8,810. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE SECRETARY

For Office of the Secretary, [\$646,805] \$695,325. (*Legislative Branch Appropriation Act, 1961.*)

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees, and the Select Committee on Small Business, [\$2,372,960] \$2,551,200. (*Legislative Branch Appropriation Act, 1961.*)

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, [\$44,020] \$47,325. (*Legislative Branch Appropriation Act, 1961.*)

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, [\$44,020] \$47,325. (*Legislative Branch Appropriation Act, 1961.*)

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants and messenger service for Senators, [\$11,078,850] \$11,924,205.

For an additional amount for administrative and clerical assistants to Senators, to provide additional clerical assistants for each Senator from the State of California so that the allowances of

Senators from said State will be equal to that allowed Senators from States having a population of over fifteen million, the population of said State having exceeded fifteen million inhabitants, \$13,200.] (*Legislative Branch Appropriation Act, 1961; Supplemental Appropriation Act, 1961.*)

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For Office of Sergeant at Arms and Doorkeeper, [\$2,309,660: *Provided*, That effective July 1, 1960, the basic compensation of the superintendent of mails, Senate post office, shall be \$3,540 per annum] \$2,483,740. (*Legislative Branch Appropriation Act, 1961.*)

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, [\$115,575: *Provided*, That effective July 1, 1960, the respective secretaries may fix the basic compensation of the chief telephone pages for the majority and minority at not to exceed \$3,780 per annum each; may fix the basic compensation of one telephone page for the majority and minority at not to exceed \$2,880 per annum each; and may fix the basic compensation of one telephone page for the majority and minority at not to exceed \$2,520 per annum each] \$124,240. (*Legislative Branch Appropriation Act, 1961.*)

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, [\$22,050] \$23,700. (*Legislative Branch Appropriation Act, 1961.*)

OFFICIAL REPORTERS OF DEBATES

For Office of the Official Reporters of Debates, [\$208,500: *Provided*, That effective July 1, 1960, the official reporters of debates heretofore or hereafter appointed by resolution of the Senate shall be employees of the Senate and shall be compensated at the gross rate of \$17,050 per annum each: *Provided further*, That the said official reporters are authorized to appoint such reporters, transcribers, and other employees as may be necessary and fix their compensation in basic multiples of \$60 per annum] \$223,415. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE LEGISLATIVE COUNSEL OF THE SENATE

For salaries and expenses of the Office of the Legislative Counsel of the Senate, [\$216,950] \$232,240. (*Legislative Branch Appropriation Act, 1961.*)

CONTINGENT EXPENSES OF THE SENATE

LEGISLATIVE REORGANIZATION

For salaries and expenses, legislative reorganization, [\$117,150] \$125,940. (*Legislative Branch Appropriation Act, 1961.*)

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, [\$124,685] \$133,975 for each such committee; in all, [\$249,370] \$267,950. (*Legislative Branch Appropriation Act, 1961.*)

JOINT ECONOMIC COMMITTEE

For salaries and expenses of the Joint Economic Committee, [\$156,950] \$167,555. (*Legislative Branch Appropriation Act, 1961.*)

JOINT COMMITTEE ON ATOMIC ENERGY

For salaries and expenses of the Joint Committee on Atomic Energy, [\$280,145] \$294,010. (*Legislative Branch Appropriation Act, 1961.*)

JOINT COMMITTEE ON PRINTING

For salaries and expenses of the Joint Committee on Printing, [\$106,515] \$114,125; for expenses of compiling, preparing, and indexing the Congressional Directory, \$1,600; in all, [\$108,115] \$115,725. (*Legislative Branch Appropriation Act, 1961.*)

VICE PRESIDENT'S AUTOMOBILE

For purchase, exchange, driving, maintenance, and operation of an automobile for the Vice President, **[\$8,245]** \$8,710. (*Legislative Branch Appropriation Act, 1961.*)

AUTOMOBILE FOR THE PRESIDENT PRO TEMPORE

For purchase, exchange, driving, maintenance, and operation of an automobile for the President pro tempore of the Senate, **[\$11,000]** \$8,960. (*Legislative Branch Appropriation Act, 1961.*)

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, **[\$16,490]** \$17,420. (*Legislative Branch Appropriation Act, 1961.*)

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, 1961.*)

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, **[\$3,568,355]** \$3,797,210. (*Legislative Branch Appropriation Act, 1961.*)

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding **[\$1.77]** \$1.90 per hour per person, **[\$31,900]** \$34,295. (*Legislative Branch Appropriation Act, 1961.*)

SENATE RESTAURANTS

For repairs, improvements, equipment, and supplies for Senate kitchens and restaurants, Capitol Building and Senate Office 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, 1961.*)

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, 1961.*)

MISCELLANEOUS ITEMS

For miscellaneous items, exclusive of labor, **[\$1,974,105]** \$2,008,345. (*Legislative Branch Appropriation Act, 1961.*)

POSTAGE STAMPS

For postage stamps for the Offices of the Secretaries for the Majority and Minority, \$140; and for airmail and special-delivery stamps for Office of the Secretary, \$160; Office of the Sergeant at Arms, \$125; Senators and the President of the Senate, as authorized by law, \$55,550, and the maximum allowance per capita of \$450 is increased to \$550 for the fiscal year 1961 and thereafter; in all, \$55,975. (*Legislative Branch Appropriation Act, 1961.*)

STATIONERY (REVOLVING FUND)

For stationery for Senators and the President of the Senate, \$181,800; and for stationery for committees and officers of the Senate, \$13,200; in all, \$195,000, to remain available until expended. (*Legislative Branch Appropriation Act, 1961.*)

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), \$15,150. (*Legislative Branch Appropriation Act, 1961.*)

【JOINT COMMITTEE ON INAUGURAL CEREMONIES OF 1961】

【For salaries and expenses of conducting the inaugural ceremonies of the President and Vice President of the United States, January 20, 1961, in accordance with such program as may be adopted by the Joint Committee authorized by concurrent resolution of the Senate and House of Representatives, \$250,000.】 (*Supplemental Appropriation Act, 1961.*)

【ADMINISTRATIVE PROVISIONS】

【The ninth paragraph under the heading "Administrative Provisions" in the appropriations for the Senate in the Legislative Branch Appropriation Act, 1957 (2 U.S.C. 127) is amended by striking out "two" where it appears therein and inserting in lieu thereof "four".】

【No part of any appropriation disbursed by the Secretary of the Senate shall be available hereafter for the payment to any person, at the time of the service upon him of a subpoena requiring his attendance at any inquiry or hearing conducted by any committee of the Congress or of the Senate or any subcommittee of any such committee, of any witness fee or any sum of money as an advance payment of any travel or subsistence expense which may be incurred by such person in responding to that subpoena.】 (*Legislative Branch Appropriation Act, 1961.*)

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 and the Resident Commissioner from Puerto Rico), **[\$10,672,530]** \$10,672,000. (*Legislative Branch Appropriation Act, 1961.*)

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, 1961.*)

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, **[\$58,510]** \$62,900. (*Legislative Branch Appropriation Act, 1961.*)

HOUSE OF REPRESENTATIVES—Continued**Current authorizations—Continued****SALARIES, OFFICERS AND EMPLOYEES—Continued****OFFICE OF THE PARLIAMENTARIAN**

For the Office of the Parliamentarian, including \$2,000 for preparing the Digest of the Rules, **[\$60,265]** \$64,630. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE CHAPLAIN

For the Office of the Chaplain, **[\$8,195]** \$8,810. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE CLERK

For the Office of the Clerk, including **[\$111,480]** \$119,841 for the House Recording Studio, **[\$1,060,150]** \$1,146,025. (*Legislative Branch Appropriation Act, 1961.*)

For the preparation of the Clerk's report, under the direction of the Clerk of the House, as required by law, \$8,000. (*Second Supplemental Appropriation Act, 1961.*)

COMMITTEE EMPLOYEES

For committee employees, including the Committee on Appropriations, **[\$2,650,000]** \$2,948,750. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE SERGEANT AT ARMS

For the Office of the Sergeant at Arms, including **[\$7,500]** \$8,065 for additional clerical assistants, **[\$571,720]** \$614,600. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE DOORKEEPER

For the Office of the Doorkeeper, **[\$985,180]** \$1,061,905. (*Legislative Branch Appropriation Act, 1961.*)

SPECIAL AND MINORITY EMPLOYEES

For six minority employees, **[\$78,030]** \$83,880.

For the office of the majority floor leader, including \$2,000 for official expenses of the majority leader, **[\$67,865]** \$72,805.

For the office of the minority floor leader, including \$2,000 for official expenses of the minority leader, **[\$52,510]** \$56,295.

For the office of the majority whip, **[\$27,645]** \$29,720.

For the office of the minority whip, **[\$27,645]** \$29,720.

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, **[\$12,620]** \$13,565.

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, **[\$10,730]** \$11,535.

[\$6,345] For a clerical assistant for the House Delegation to the North Atlantic Treaty Parliamentarians' Conference, as authorized, **[\$6,345]** (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE POSTMASTER

For the Office of the Postmaster, including **[\$8,500]** \$9,138 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, **[\$290,370]** \$312,150. (*Legislative Branch Appropriation Act, 1961.*)

OFFICIAL REPORTERS OF DEBATES

For official reporters of debates, **[\$188,760]** \$202,915. (*Legislative Branch Appropriation Act, 1961.*)

OFFICIAL REPORTERS TO COMMITTEES

For official reporters to committees, **[\$190,690]** \$204,995. (*Legislative Branch Appropriation Act, 1961.*)

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]**, of which such amount as may be necessary may be

transferred to the appropriation under this head for the fiscal year 1960] **[\$550,000]**. (*Legislative Branch Appropriation Act, 1961.*)

OFFICE OF THE LEGISLATIVE COUNSEL

For salaries and expenses of the Office of the Legislative Counsel of the House, **[\$210,000]** \$225,750. (*Legislative Branch Appropriation Act, 1961.*)

MEMBERS' CLERK HIRE

For clerk hire, necessarily employed by each Member in the discharge of his official and representative duties, **[\$16,300,000]** \$17,522,500. (*Legislative Branch Appropriation Act, 1961.*)

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]** \$242,550. (*Legislative Branch Appropriation Act, 1961.*)

MISCELLANEOUS ITEMS

For miscellaneous items, exclusive of salaries unless specifically ordered by the House of Representatives, including the sum of **[\$35,000]** \$60,000 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; **[\$2,450,000]** \$2,550,000. (*Legislative Branch Appropriation Act, 1961.*)

REPORTING HEARINGS

For stenographic reports of hearings of committees other than special and select committees, \$150,000. (*Legislative Branch Appropriation Act, 1961.*)

SPECIAL AND SELECT COMMITTEES

For salaries and expenses of special and select committees authorized by the House, **[\$2,450,000]** \$2,633,750. [Of the amount made available under this heading in the Legislative Branch Appropriations Act, 1961, such amount as may be necessary may be transferred to the appropriation under such heading for the fiscal year 1960.] (*Legislative Branch Appropriation Act, 1961; Supplemental Appropriation Act, 1961.*)

JOINT COMMITTEE ON INTERNAL REVENUE TAXATION

For the payment of the salaries and other expenses of the Joint Committee on Internal Revenue Taxation, **[\$300,000]** \$322,500. (*Legislative Branch Appropriation Act, 1961.*)

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, 1961.*)

OFFICE OF THE COORDINATOR OF INFORMATION

For salaries and expenses of the Office of the Coordinator of Information, **[\$100,690]** \$108,245. (*Legislative Branch Appropriation Act, 1961.*)

TELEGRAPH AND TELEPHONE

For telegraph and telephone service, exclusive of personal services, **[\$1,275,000]** \$1,325,000. (*Legislative Branch Appropriation Act, 1961.*)

STATIONERY (REVOLVING FUND)

For a stationery allowance of \$1,800 for each Member for the **first** *second* session of the Eighty-seventh Congress, \$788,400, to remain available until expended. (*Legislative Branch Appropriation Act, 1961.*)

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 five assistants as provided by the House resolutions adopted July 1, 1930, January 20, 1932, November 18, 1940, and May 21, 1959, and Public Law 242, Eighty-fourth Congress, \$16,545. (*Legislative Branch Appropriation Act, 1961.*)

POSTAGE STAMPS

Postage stamp allowances for the **first** *second* session of the Eighty-seventh Congress, as follows: 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; \$183,640. (*Legislative Branch Appropriation Act, 1961.*)

FOLDING DOCUMENTS

For folding speeches and pamphlets, at a gross rate not exceeding **[\$2.36]** *\$2.54* per thousand or for the employment of personnel at a gross rate not exceeding **[\$1.77]** *\$1.91* per hour per person, **[\$250,000]** *\$236,500*. (*Legislative Branch Appropriation Act, 1961.*)

REVISION OF LAWS

For preparation and editing of the laws as authorized by the Act approved May 29, 1928 (1 U.S.C. 59), **[\$18,150]** *\$19,515*, to be expended under the direction of the Committee on the Judiciary. (*Legislative Branch Appropriation Act, 1961.*)

SPEAKER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the Speaker, **[\$9,500]** *\$10,000*. (*Legislative Branch Appropriation Act, 1961.*)

MAJORITY LEADER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the majority leader of the House, **[\$9,500]** *\$19,000*. (*Legislative Branch Appropriation Act, 1961.*)

MINORITY LEADER'S AUTOMOBILE

For purchase, exchange, hire, driving, maintenance, repair, and operation of an automobile for the minority leader of the House, **[\$9,500]** *\$19,000*. (*Legislative Branch Appropriation Act, 1961.*)

[PAYMENT TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS]

[For payment to Rachel P. Elliott, widow of Douglas H. Elliott, late a Representative from the State of Pennsylvania, \$22,500.] (*Supplemental Appropriation Act, 1961.*)

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, 1961.*)

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, 1961.*)

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, **[\$106,075]** *\$113,675*. Such sum shall be expended only for payment of 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 are 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 captain and the lieutenant detailed under the authority of this paragraph the same salary as that paid the two lieutenants so detailed in fiscal year 1955 plus \$625 and such increase in basic compensation as may be subsequently provided by law so long as these positions are held by the present incumbents and that the Commissioners of the District of Columbia are directed to pay the deputy chief detailed under the authority of this paragraph the same salary as that paid in fiscal year 1959 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.

The foregoing amounts under "Capitol Police" shall be disbursed by the Clerk of the House. (*Legislative Branch Appropriation Act, 1961.*)

[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, \$24,910, to be disbursed by the Secretary of the Senate.] (*Legislative Branch Appropriation Act, 1961.*)

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, **[\$64,100]** *\$67,967*, 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

HOUSE OF REPRESENTATIVES—Continued

Current authorizations—Continued

EDUCATION OF SENATE AND HOUSE PAGES—Continued

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, 1961.*)

PENALTY MAIL COSTS

For expenses necessary under section 2 of Public Law 286, Eighty-third Congress, **[\$3,269,000] \$3,836,000**, to be available immediately. (*Legislative Branch Appropriation Act, 1961.*)

COMPILING TESTIMONY IN CONTESTED ELECTION CASES

For services in compiling, arranging for the printer, reading proof, indexing testimony, stenography and typewriting, supervision of the work, and expenses incurred in the contested election cases of the Eighty-fifth and Eighty-sixth Congresses, as authorized by the Act entitled "An Act relating to contested elections", approved March 2, 1887 (2 U.S.C. 201-226), \$1,500.

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 session of the Eighty-sixth] first session of the Eighty-seventh 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, 1961.*)

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; **[\$301,400] \$333,000**. (31 U.S.C. 689; 40 U.S.C. 161, 162, 164a; 166b-1; 5 U.S.C. 2205, 2206; *Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
General administration of all activities under the Architect of the Capitol (total obligations).....	271	316	333
Financing:			
Unobligated balance lapsing.....	7		
New obligational authority.....	278	316	333
New obligational authority:			
Appropriation.....	278	301	333
Proposed supplemental due to pay increases.....		15	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	229	270	283
Other personnel compensation.....	27	26	29
Total personnel compensation.....	256	296	312
12 Personnel benefits.....	16	20	21
Total obligations.....	271	316	333

Personnel Summary

Total number of permanent positions.....	28	31	33
Average number of all employees.....	27	31	33
Average GS grade.....	8.2	8.1	8.1
Average GS salary.....	\$6,436	\$6,857	\$6,794
Average salary of ungraded positions.....		\$6,638	\$6,638

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 \$20,000, and the limitation on such expenses for the fiscal year 1960 may be exceeded by \$2,500. (40 U.S.C. 166a; *Legislative Branch Appropriation Act, 1961.*)

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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Unforeseen expenses in connection with all activities under the Architect of the Capitol (total obligations).....	47	50	50
Financing:			
Unobligated balance lapsing.....	3		
New obligational authority (appropriation).....	50	50	50

Object Classification (in thousands of dollars)

25 Other services.....		50	50
Alterations and improvements, rooms 4-A and 2-A, House Terrace, Capitol Building.....	3		
Modernization of elevator No. 10, Old Senate Office Building.....	10		
Replacement of condensing unit for refrigerated drinking water systems, New House Office Building.....	6		
Construction of drafting room in areaway adjacent to Architect's Office.....	2		
Emergency purchase, high voltage cable.....	4		
Snow removal, Capitol grounds.....	10		
Construction of parking facilities, additional Senate Office Building site.....	12		
Miscellaneous improvements, Capitol Building.....	1		
Total obligations.....	47	50	50

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 a passenger motor vehicle; 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, **[\$1,140,000] \$1,142,000.** (40 U.S.C. 162, 163, 163a, 166; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance and operation of the Capitol (total obligations).....	1,018	1,152	1,142
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority.....	1,020	1,152	1,142
New obligational authority:			
Appropriation.....	1,020	1,140	1,142
Proposed supplemental due to pay increases.....		12	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	647	699	745
Positions other than permanent.....	9	16	16
Other personnel compensation.....	142	151	163
Total personnel compensation.....	798	866	924
12 Personnel benefits.....	40	49	51
23 Communication services: Penalty mail.....	1	1	2
25 Other services:			
Annual painting.....	47	32	32
Elevator repairs and improvements.....	3	5	6
Substation equipment and repairs.....	4	5	7
General annual repairs and alterations.....	25	40	41
Maintenance and repair, lighting systems, grounds.....	9	11	11
Maintenance, air-conditioning system.....	41	63	20
Repairs, works of art.....		6	10
Replacement of revolving door, west front, first floor.....		9	
Painting exterior of west central section of Capitol and exterior trim of Senate and House wings.....		31	
26 Supplies and materials.....	32	31	33
31 Equipment:			
Annual.....	18	2	2
Dust collector for carpenter shop.....			3
Total obligations.....	1,018	1,152	1,142

Personnel Summary

Total number of permanent positions.....	141	142	146
Average number of all employees.....	139	142	146
Average GS grade.....	8.8	8.5	8.8
Average GS salary.....	\$6,653	\$6,960	\$6,958
Average salary of ungraded positions.....	\$4,382	\$4,613	\$4,700

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; **[\$388,300] \$446,000.** (40 U.S.C. 162, 193a; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Care and improvement of the Capitol Grounds (total obligations).....	338	388	446
Financing:			
Unobligated balance lapsing.....	19		
New obligational authority (appropriation).....	357	388	446

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	224	267	276
Positions other than permanent.....	10	8	8
Other personnel compensation.....	42	46	47
Total personnel compensation.....	276	321	331
12 Personnel benefits.....	16	22	22
25 Other services:			
General annual repairs.....	11	8	10
Snow removal.....	5	5	5
Maintenance of signal lights.....	2	2	2
Repairs to streets, sidewalks, curbing, and other paved areas.....	11	12	12
Maintenance, Taft Memorial.....		1	1
Resurfacing Louisiana Ave., New Jersey Ave., NW., to Union Station.....			21
Repairs and replacement, sections of sidewalks and curbing surrounding two House Office Buildings.....			18
Installation of walk lights, Constitution Ave. and First St., NE.....	2		
26 Supplies and materials.....	10	8	10
31 Equipment:			
Annual.....	5	9	6
Purchase of street sweeper.....			9
Total obligations.....	338	388	446

Personnel Summary

Total number of permanent employees.....	54	55	55
Average number of all employees.....	51	55	55
Average GS grade.....	7.8	7.9	7.9
Average GS salary.....	\$6,099	\$6,415	\$6,500
Average salary of ungraded positions.....	\$4,385	\$4,705	\$4,800

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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance of the subway transportation system connecting the Senate Office Buildings with the Capitol (total obligations).....	6	6	6

ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

CAPITOL BUILDINGS AND GROUNDS—Continued

SUBWAY TRANSPORTATION, CAPITOL AND SENATE OFFICE BUILDINGS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
New obligational authority (appropriation).....	6	6	6
Object Classification (in thousands of dollars)			
25 Other services: General annual repairs.....	5	5	5
26 Supplies and materials.....	1	1	1
Total obligations.....	6	6	6

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, **[\$2,338,400] \$2,074,000.** (40 U.S.C. 174b-1, 174c; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance and operation of the Senate Office Buildings (total obligations).....	1,839	2,394	2,074
Financing:			
Unobligated balance brought forward.....	—45	—30	-----
Unobligated balance carried forward.....	30	-----	-----
Unobligated balance lapsing.....	8	-----	-----
New obligational authority.....	1,832	2,363	2,074
New obligational authority:			
Appropriation.....	1,832	2,338	2,074
Proposed supplemental due to pay increases.....	-----	25	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,327	1,442	1,494
Positions other than permanent.....	20	15	15
Other personnel compensation.....	203	271	271
Total personnel compensation.....	1,549	1,728	1,781
12 Personnel benefits.....	84	111	108
25 Other services:			
Elevator repairs and improvements.....	3	5	5
Furniture repairs.....	5	7	7
General annual repairs.....	3	15	15
Annual painting.....	41	33	30
Laundry.....	9	10	10
Ice.....	6	1	1
Maintenance, air-conditioning systems.....	9	10	10

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services—Continued			
Replacement of chilled water coils and temperature controls, air-conditioning system, old building.....	-----	150	-----
Refinishing elevator doors, old building.....	-----	24	-----
Cleaning exterior of old building.....	-----	170	-----
Replacement of lighting fixtures.....	15	30	-----
26 Supplies and materials.....	41	50	50
31 Equipment:			
Annual rugs and floor coverings.....	23	25	25
Annual tools, machinery, and miscellaneous.....	8	3	3
Annual furniture and furnishings.....	10	5	5
Revolving armchairs for offices.....	3	4	4
Typist chairs for offices.....	2	1	1
File cabinets.....	22	5	10
New typewriter desks and flat-top desks.....	3	6	6
Trash trucks.....	-----	-----	3
Total obligations.....	1,839	2,394	2,074

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	350	351	352
Average number of all employees.....	349	351	352
Average GS grade.....	6.0	6.2	6.2
Average GS salary.....	\$4,955	\$5,518	\$5,666
Average salary of ungraded positions.....	\$3,921	\$4,227	\$4,372

LEGISLATIVE GARAGE

For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, **[\$48,200] \$79,000.**

【Not to exceed \$64,000 of the unobligated balance of the appropriation under this head in the Legislative Branch Appropriation Act, 1960, is hereby continued available until June 30, 1961.】 (40 U.S.C. 185a; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance and operation of legislative garage (total obligations).....	51	112	79
Financing:			
Unobligated balance lapsing.....	65	-----	-----
New obligational authority.....	116	112	79
New obligational authority:			
Appropriation.....	116	48	79
Reappropriation.....	-----	64	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	28	30	31
Other personnel compensation.....	11	12	12
Total personnel compensation.....	39	42	43
12 Personnel benefits.....	2	3	3
25 Other services:			
General annual repairs.....	3	2	2
Painting ceiling of garage.....	-----	-----	30
Improvements to lighting system.....	6	64	-----
26 Supplies and materials.....	1	1	1
Total obligations.....	51	112	79

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	7	7	7
Average number of all employees.....	7	7	7
Average salary of ungraded positions.....	\$4,017	\$4,286	\$4,386

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, **[\$1,682,600] \$1,639,000.** (40 U.S.C. 175; 45 Stat. 1071; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance and operation of the House Office Buildings (total obligations).....	1,453	1,703	1,639
Financing:			
Unobligated balance lapsing.....	8		
New obligational authority.....	1,460	1,703	1,639
New obligational authority:			
Appropriation.....	1,460	1,683	1,639
Proposed supplemental due to pay increases.....		20	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,119	1,245	1,263
Positions other than permanent.....		2	2
Other personnel compensation.....	124	164	167
Total personnel compensation.....	1,244	1,411	1,432
12 Personnel benefits.....	62	90	82
25 Other services:			
Annual painting.....	47	48	47
Elevator repairs.....	6	5	5
Maintenance, air-conditioning systems.....	5	27	7
General annual repairs.....	13	10	10
Replacement of revolving door, old building.....		8	
Installation of 5 revolving doors, new building.....		40	
Repairs and improvements, terrace landing, southeast corner, new building.....		25	
Laundry.....	3		
Installation of fire sprinkler system, basement area, Old House Office Building.....	9		
Replacement of terrace landing, First and C Sts, approach, Old House Office Building.....			4
26 Supplies and materials.....	56	35	47
31 Equipment:			
Special equipment.....	2	1	1
Storage boxes.....	3	3	3
Miscellaneous equipment.....	3		
Total obligations.....	1,453	1,703	1,639

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	381	381	381
Average number of all employees.....	375	381	381
Average GS grade.....	5.6	5.9	5.9
Average GS salary.....	\$4,969	\$5,540	\$5,647
Average salary of ungraded positions.....	\$3,911	\$4,215	\$4,277

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), **[\$13,000,000] \$6,000,000.**

For an amount, additional to amounts heretofore appropriated, for acquisition of property for additions to the United States Capitol Grounds pursuant to section 1202 of Public Law 24, Eighty-fourth Congress, approved April 22, 1955, as approved by the House Office Building Commission, **\$5,000,000.** (Legislative Branch Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses.....	46	5,050	70
2. Construction and equipment of an additional office building for the House of Representatives.....	51,061	2,513	250
3. Changes, alterations, and remodeling, Old House Office Building.....	115		
4. Changes, alterations, and remodeling New House Office Building.....	119	688	
5. Subways and subway transportation systems.....	18	5,137	
6. Administration, miscellaneous, contingencies, landscape treatment, and appurtenances.....	400	450	450
Total obligations.....	51,758	13,838	770
Financing:			
Unobligated balance brought forward:			
Appropriation.....	-11,811		
Contract authorization (indefinite).....	-55,000	-20,053	-11,215
Unobligated balance carried forward: Contract authorization (indefinite).....	20,053	11,215	10,445
New obligational authority (contract authorization).....	5,000	5,000	

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	55,000	43,500	30,500
Contract authorization (new).....	5,000	5,000	
Unfunded balance carried forward.....	-43,500	-30,500	-24,500
Appropriation to liquidate contract authorization.....	16,500	18,000	6,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services:			
Changes, alterations, and remodeling, Old House Office Building.....	115		
Changes, alterations, and remodeling, New House Office Building.....	119	688	
32 Lands and structures:			
Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses.....	45	5,050	70
Construction and equipment of an additional office building for the House of Representatives.....	51,061	2,513	250
Subways and subway transportation systems.....	18	5,137	
Administration, miscellaneous, contingencies, landscape treatment, and appurtenances.....	400	450	450
Total obligations.....	51,758	13,838	770

ARCHITECT OF THE CAPITOL—Continued**Current authorizations—Continued****CAPITOL BUILDINGS AND GROUNDS—Continued****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; **[\$2,028,700] \$2,052,000.** (40 U.S.C. 185, 42 Stat. 767; 46 Stat. 51, 583; 50 Stat. 10; 52 Stat. 392; 68 Stat. 303; *Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operation and maintenance of the Capitol Power Plant, its steam and chilled water distribution systems (total obligations).....	1,805	2,029	2,052
Financing:			
Unobligated balance lapsing.....	96		
New obligational authority (appropriation)	1,902	2,029	2,052

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	441	490	502
Positions other than permanent.....	22	3	3
Other personnel compensation.....	50	61	61
Total personnel compensation.....	512	554	566
12 Personnel benefits.....	32	37	39
23 Rent, communications, and utilities:			
Gas.....	1	2	2
Purchase of electrical energy.....	842	975	975
25 Other services:			
General annual repairs and alterations.....	90	48	48
Alterations to existing circuit breakers.....			10
26 Supplies and materials:			
Miscellaneous annual supplies.....	25	26	26
Fuel.....	291	387	387
31 Equipment.....	12		
Total obligations.....	1,805	2,029	2,052

Personnel Summary

Total number of permanent positions.....	77	82	82
Average number of all employees.....	77	82	82
Average GS grade.....	6.0	6.0	6.0
Average GS salary.....	\$5,648	\$6,140	\$6,234
Average salary of ungraded positions.....	\$5,729	\$5,972	\$6,116

【EXPANSION OF FACILITIES, CAPITOL POWER PLANT】

【For expansion of the Capitol Power Plant facilities, \$2,500,000, to be expended by the Architect of the Capitol under the direction of the House Office Building Commission, in accordance with the pro-

visions of the Act of September 2, 1958 (72 Stat. 1714-1716).】 (*Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 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) (object class 25).....	257	4,978	198
Financing:			
Unobligated balance brought forward:			
Appropriation.....		-1,927	
Contract authorization.....	-5,433	-3,250	-198
Unobligated balance carried forward:			
Appropriation.....	1,927		
Contract authorization.....	3,250	198	
New obligational authority (contract authorization)			

Status of Unfunded Contract Authorization (in thousands of dollars)

Unfunded balance brought forward.....	5,750	3,250	750
Unfunded balance carried forward.....	-3,250	-750	-750
Appropriation to liquidate contract authorization	2,500	2,500	

【EXTENSION OF ADDITIONAL SENATE OFFICE BUILDING SITE】

【For an additional amount 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, Eighty-fifth Congress, relating to the acquisition of property in square 724 in the District of Columbia, including necessary expenses, \$69,500, to remain available until expended.】

【For an additional amount 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 expenses, \$70,000, to remain available until expended.】 (*Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 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).....	1,538	296	
Financing:			
Unobligated balance brought forward.....	-1,495	-157	
Unobligated balance carried forward.....	157		
New obligational authority (appropriation)	200	140	

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
32 Lands and structures: Acquisition of property, protection, maintenance, and demolition of structures, and miscellaneous incidental expenses:			
Square 724, District of Columbia.....	800	145	-----
Square 725, District of Columbia.....	738	151	-----
Total obligations.....	1,538	296	-----

ADDITIONAL OFFICE BUILDING FOR THE UNITED STATES SENATE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction and equipment of an additional office building for the United States Senate (total obligations) (object class 32).....	1,229	644	-----
Financing:			
Unobligated balance brought forward.....	-1,962	-733	-89
Unobligated balance carried forward.....	733	89	89
New obligational authority (appropriation)			

【CHANGES AND IMPROVEMENTS, CAPITOL POWER PLANT】

【Toward carrying out the changes and improvements authorized by the Act of October 26, 1949 (63 Stat. 933), as amended by the Act of June 27, 1956 (70 Stat. 367), \$730,000, to be expended by the Architect of the Capitol under the direction of the House Office Building Commission.】 (Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Boiler plant changes and related improvements.....	6		-----
2. New tunnel, steam lines, chilled water lines, and related improvements.....		100	-----
3. Electrical conversion, 25-cycle alternating current and direct current to 60-cycle alternating current.....	51	1,400	-----
4. Refrigeration plant changes, improvements, and additions.....	4		-----
5. Engineering, administration, and contingencies.....	23	157	-----
Total obligations (object class 25).....	84	1,657	-----
Financing:			
Unobligated balance brought forward:			
Appropriation.....	-1,012	-927	-----
Contract authorization.....	-730	-730	-----
Unobligated balance carried forward:			
Appropriation.....	927		-----
Contract authorization.....	730		-----
New obligational authority (contract authorization)			

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	730	730	-----
Unfunded balance carried forward.....	-730		-----
Appropriation to liquidate contract authorization		730	-----

EXTENSION OF THE CAPITOL

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Extension, reconstruction, and replacement of the central portion of the Capitol, and other related and appurtenant improvements (total obligations) (object class 25).....	7,295	3,384	854
Financing:			
Unobligated balance brought forward.....	-11,533	-4,239	-854
Unobligated balance carried forward.....	4,239	854	-----
New obligational authority (contract authorization)			

FURNITURE AND FURNISHINGS, ADDITIONAL SENATE OFFICE BUILDING

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Furniture and furnishings for additional Senate Office Building (total obligations) (object class 31).....	47	173	-----
Financing:			
Unobligated balance brought forward.....	-220	-173	-----
Unobligated balance carried forward.....	173		-----
New obligational authority (appropriation)			

RECONSTRUCTION, REPAIR, ALTERATION, AND IMPROVEMENTS, CAPITOL GROUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-19		-----
Unobligated balance lapsing.....	19		-----
New obligational authority (appropriation)			

REMODELING, SENATE OFFICE BUILDING

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 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 United States Senate (total obligations) (object class 25).....	80	120	-----
Financing:			
Unobligated balance brought forward.....	-200	-120	-----
Unobligated balance carried forward.....	120		-----
New obligational authority (appropriation)			

ARCHITECT OF THE CAPITOL—Continued

Current authorizations—Continued

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, [\$942,300] \$3,767,000, of which not to exceed \$20,000 shall be available for expenditure without regard to section 3709 of the Revised Statutes, as amended, and of which \$2,500,000 shall remain available until expended.

[Not to exceed \$107,000 of the unobligated balance of the appropriation under this head in the Legislative Branch Appropriation Act, 1960, is hereby continued available until June 30, 1961.] (2 U.S.C. 141; 46 Stat. 583; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Mechanical and structural maintenance, Library buildings and grounds (total obligations).....	1,048	967	3,767
Financing:			
Unobligated balance lapsing.....	37		
New obligational authority.....	1,085	967	3,767
New obligational authority:			
Appropriation.....	1,085	942	3,767
Reappropriation.....		25	

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	326	349	355
Other personnel compensation.....	94	97	98
Total personnel compensation.....	420	447	453
12 Personnel benefits.....	23	27	28
25 Other services:			
General annual repairs.....	19	17	17
Annual painting.....	37	20	20
Maintenance and repairs, air-conditioning, and refrigeration systems.....	16	6	28
Maintenance and repairs, elevators.....	7	5	20
Equip part of bookstacks with map cases, annex.....	24	20	20
Equip part of deck for bookshelving, annex.....	80	85	85
Installation of floor tile, both buildings.....	19	31	17
Repairs to mosaic ceilings and floor tile and marble floor tile, main building.....	19	20	20
Restore and repair decorated plaster ceilings, second floor exhibit hall, main building.....	11		12
Cleaning exterior stonework, main building.....			95
Birdproofing upper areas of main building, including courtyard.....			58
Roof repairs and replacements, main building.....			31
Expansion of cafeteria, main building.....			103
Replacement of book conveyors, north and south stacks, main building.....			180
Adjustable loading dock, receiving unit, main building.....			3
Replacement of air filter bank, southeast stack, main building.....			2
Floor matting, main building entrances.....			2
Replacement of silk wall covering in former House of Representatives reading room, main building.....			4

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services—Continued			
Installation of heating and cooling system, main building, including necessary structural and other work.....			2,500
Pointing exterior stonework, both buildings.....	21	35	
Elevator modernization and improvements, both buildings.....	82	130	
Replacement of steam pressure reducing valves, main and annex buildings.....		30	
Installation of sprinkler system, north unfinished area, annex.....		5	
Air condition east subbasement machine room, annex.....		4	
Replacement of electric tram.....		4	
Heating and cooling survey and study.....		25	
Air condition Coolidge Auditorium, main building.....	39	5	
Alterations and equipment to provide improved exhibit facilities, main building.....	121	15	
Plumbing renewals in public toilets.....	4		
Plaster repairs and renewals, both buildings.....	10		
Clean and refinish bronze entrance doors, both buildings.....	5		
Air condition part of south curtain cellar, main building.....	6		
Improvements between decks A and B and 37 and 38, main building.....	16		
Air condition decks A and B, main building.....	34		
Lighting improvements, cellar, main building.....	4		
Air condition first aid room and music division.....	2		
Acoustical treatment, cellar area, main building.....	2		
26 Supplies and materials.....	25	19	19
31 Equipment:			
Materials handling and cleaning equipment.....		7	6
Additional booster pump for city water supply, main building.....			10
Dust collector for carpenter shop, main building.....			7
Stairway scaffolds.....			2
Steel shelving, map division, annex.....			1
Plan file cases for prints and photographs.....			3
Sump pumps, annex.....	1		
32 Lands and structures:			
Care of grounds.....	4	10	2
Underground sprinkler system, grounds, main building.....			19
Total obligations.....	1,048	967	3,767

Personnel Summary

Total number of permanent positions.....	59	59	59
Average number of all employees.....	58	59	59
Average GS grade.....	4.5	4.5	4.5
Average GS salary.....	\$4,183	\$4,378	\$4,430
Average salary of ungraded positions.....	\$5,653	\$5,976	\$6,066

FURNITURE AND FURNISHINGS

For furniture, partitions, screens, shelving, and electrical work pertaining thereto and repairs thereof, office and library equipment, apparatus, and labor-saving devices, [\$123,300] \$99,000. (2 U.S.C. 141; 46 Stat. 583; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Furniture and furnishings for the Congressional Library buildings (total obligations).....	139	123	99
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority (appropriation)	140	123	99

Object Classification (in thousands of dollars)			
25 Other services:			
Repairs to office machines and equipment.....	15	10	10
Conversion of typewriters and office machines to 60-cycle alternating current, main building.....	4	4	
Recovering of seats, Coolidge Auditorium.....		3	
31 Equipment:			
Furniture and equipment.....	34	35	35
Typewriter replacements.....	14	15	20
Movable partitions.....	9	10	10
Visible file cases for serial record division.....	1	1	1
Calculating machines, legislative reference and audit office.....	1	2	2
Rotary records unit, loan division.....		1	1
Electric adding machines, card division, cataloging and examining divisions.....	2		2
Multilith machine, office of secretary.....			6
Duplicating machine, descriptive cataloging.....			1
Posting machine, accounting section, copyright.....			4
Metal bookcases, legislative reference.....			3
Folding and inserting machine, card division.....			2
Miscellaneous office equipment.....			2
Carpeting for offices.....	2	3	
60-cycle alternating current electric fans, main building.....	4	11	
Card sections for Copyright Office.....	6	13	
Microfilm reading machines, serial division.....	1	3	
Numbering machines, Copyright Office.....		2	
Addressing machine and file cabinet, office of secretary.....		3	
Crisscross stacker attachment for collator, office of secretary.....		1	
Motion picture projector, editing machines, and varityper, motion picture section.....		6	
Venetian blinds, main building.....	6		
Steel trays for card division.....	20		
Addressograph-multigraph-multilith machines, card division, Copyright Office, and central duplicating.....	13		
Bookkeeping machine, accounts office.....	6		
Tickometer machine, card division.....	1		
Total obligations.....	139	123	99

[ADDITIONAL LIBRARY BUILDING]

[To enable the Architect, under the direction of the Joint Committee on the Library, to prepare preliminary plans and estimates of cost for an additional building for the Library of Congress, as

authorized by Public Law 86-469, \$75,000, to remain available until expended.] (*Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Preparation of preliminary plans and estimates of cost for an additional building for the Library of Congress (total obligations) (object class 25).....		75	
Financing:			
Unobligated balance brought forward (contract authorization).....		-75	
Unobligated balance carried forward (contract authorization).....	75		
New obligational authority (contract authorization).....	75		

Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance brought forward.....		75	
Contract authorization (new).....	75		
Unfunded balance carried forward.....	-75		
Appropriation to liquidate contract authorization.....		75	

BOTANIC GARDEN

Current authorizations:

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; [\$352,300] \$489,000. (40 U.S.C. 216; *Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance and operation of the Botanic Garden (total obligations).....	322	352	489
Financing:			
Unobligated balance lapsing.....	6		
New obligational authority (appropriation)	328	352	489

BOTANIC GARDEN—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	224	253	280
Positions other than permanent.....	2	3	5
Other personnel compensation.....	43	45	50
Total personnel compensation.....	269	301	335
12 Personnel benefits.....	15	20	22
23 Rent, communications, and utilities.....	1		4
25 Other services: General annual repairs.....	9	5	5
26 Supplies and materials.....	14	10	10
31 Equipment:			
Botanic Garden stock.....	14	15	15
1 new truck.....			4
Plant material for Poplar Point Nursery.....			20
Topsoil for Poplar Point Nursery.....			72
Total obligations.....	322	352	489

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	48	48	51
Average number of all employees.....	46	47	50
Average GS grade.....	7.4	7.4	7.4
Average GS salary.....	\$5,777	\$6,371	\$6,522
Average salary of ungraded positions.....	\$4,857	\$5,217	\$5,458

RELOCATION OF GREENHOUSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 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) (object class 25).....	25	552	
Financing:			
Unobligated balance brought forward.....	-577	-552	
Unobligated balance carried forward.....	552		
New obligational authority (appropriation).....			

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 to the blind. In terms of these broad fields of activity comparative obligations (including only those chargeable to annual appropriations) for 1960 and estimated 1961 and 1962 are (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
General and basic services:			
Acquisition of library materials.....	1,216	1,381	1,450
Organization of the collections.....	2,754	3,017	3,136
Reader and reference services.....	1,931	2,147	2,274
Maintenance and protective services.....	991	1,335	1,408
Executive direction and general administrative services.....	890	968	1,018
Total general and basic services.....	7,782	8,848	9,286
Special service to the Congress: Legislative Reference Service.....	1,451	1,780	1,843
Specialized services:			
Copyright.....	1,449	1,589	1,617
Catalog card distribution service.....	1,980	2,101	2,388
Books for the blind.....	1,617	1,723	1,786
Total specialized services.....	5,046	5,413	5,791
Total obligations.....	14,279	16,041	16,920

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; rental of buildings in the District of Columbia; and expenses of the Library of Congress Trust Fund Board not properly chargeable to the income of any trust fund held by the Board; **[\$7,667,800] \$8,510,200: Provided, That not to exceed \$50,000 of the appropriation granted under this head in the Legislative Branch Appropriation Act, 1961, is hereby continued available until June 30, 1962. (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, 1961.)**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition of library materials.....	703	773	791
2. Organization of the collections.....	2,644	2,900	3,019
3. Reader and reference services.....	1,931	2,147	2,274
4. Maintenance and protective services.....	991	1,335	1,408
5. Executive direction and general administrative services.....	890	968	1,018
Total obligations.....	7,159	8,123	8,510
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	7,160	8,123	8,510

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	7,160	7,668	8,510
Proposed supplemental due to pay increases.....		455	

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

1. *Acquisition of library materials.*—The Library's collections are developed in accordance with established acquisition policies: 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 1962 is: continued improvement in acquisitions procedures and in exchange relations with institutions in the more important areas of the world. The collections totaled 38,995 thousand items as of June 30, 1960, and consisted of 12,075 thousand books and pamphlets; 16,531 thousand manuscript pieces and 10,389 thousand 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 1960 and estimated for 1961 and 1962 are as follows (in thousands):

Description	1960 actual	1961 estimate	1962 estimate
Purchase.....	524	555	550
Deposit by virtue of law:			
Copyright.....	391	392	395
Other.....	602	650	650
Transfer from Federal agencies.....	1,668	1,700	1,700
Official donation from State and local agencies.....	104	120	130
Exchange.....	655	700	750
Gift from individual and unofficial sources.....	840	1,000	1,000
Total.....	4,784	5,117	5,175

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 1962 are the cataloging of a larger number of the materials received during the year particularly those in oriental languages; improved cataloging methods and procedures to assure the usefulness of the collections; and the filing into, and general maintenance of, the card catalogs on a more current basis.

Selected performance data for 1960 and estimated for 1961 and 1962 (not including processing activities performed by the Reference Department and the Law Library) are as follows (in thousands):

Description	1960 actual	1961 estimate	1962 estimate
Volumes fully cataloged and added to the classified collections.....	138	150	153
Items otherwise organized for use (without full cataloging).....	18	22	25
Cards filed in catalogs.....	1,395	1,475	1,525
Volumes bound.....	112	115	115
Items repaired, cleaned, mounted, etc.....	233	250	250
Cards received by the National Union Catalog.....	1,200	1,225	1,250
Serial parts processed.....	1,783	1,825	1,850

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 objectives of this activity for 1962 are to provide more adequate access to special collections and to improve reference service in the reading rooms. The workload in all major activities is expected to increase in 1961 and 1962 as follows (in thousands):

Description	1960 actual	1961 estimate	1962 estimate
Reader and reference services:			
Materials served.....	1,784	1,800	1,820
Units issued on loan.....	202	220	225
Reference inquiries answered in person.....	326	330	335
Reference requests by telephone.....	196	200	210
Reference letters.....	81	85	90
Law library reader and reference services:			
Books and pamphlets served.....	316	325	335
Reference inquiries answered.....	55	57	59

4. *Maintenance and protective services.*—A staff of 194, 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,780	6,454	6,808
Positions other than permanent.....	123	132	132
Other personnel compensation.....	151	97	97
Total personnel compensation.....	6,054	6,683	7,037
12 Personnel benefits.....	397	520	534
21 Travel and transportation of persons.....	6	6	6
22 Transportation of things.....		1	1
23 Rent, communications, and utilities.....	102	277	345
24 Printing and reproduction.....	532	527	530
25 Other services.....	6	55	5
Services of other agencies.....	12	10	10
26 Supplies and materials.....	49	41	41
31 Equipment.....	1	2	
42 Insurance claims and indemnities.....		1	1
Total obligations.....	7,159	8,123	8,510

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,105	1,130	1,168
Full-time equivalent of other positions.....	42	42	42
Average number of all employees.....	1,073	1,092	1,141
Number of employees at end of year.....	1,221	1,246	1,284
Average GS grade.....	6.3	6.6	6.5
Average GS salary.....	\$5,544	\$6,096	\$6,167

COPYRIGHT OFFICE

SALARIES AND EXPENSES

For necessary expenses of the Copyright Office, including publication of the decisions of the United States courts involving copyrights, **[\$1,486,800]** \$1,617,000. (17 U.S.C. 1-215; Legislative Branch Appropriation Act, 1961.)

LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

COPYRIGHT OFFICE—Continued

SALARIES AND EXPENSES—continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Receiving and accounting for applications, fees, and correspondence.....	339	380	396
2. Examining copyright applications.....	353	386	392
3. Indexing and cataloging materials received.....	340	376	381
4. Reference services.....	156	170	177
5. Printing the catalog of copyright entries and bulletins of decisions.....	36	45	35
6. General supervision and legal services.....	225	232	236
Total obligations.....	1,449	1,589	1,617
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	1,450	1,589	1,617
New obligational authority:			
Appropriation.....	1,450	1,487	1,617
Proposed supplemental due to pay increases.....		102	

The Copyright Office is responsible for recording copyright claims, assignments, and renewals; for supplying copyright information to the public; for collecting and accounting for copyright fees; and for printing complete and indexed catalogs for each class of copyright entries. The office is conducted as a business operation. The amount requested is substantially counterbalanced by fees received for services rendered and the value of books and other library materials deposited in accordance with the Copyright Act and transferred to the Library of Congress. The income and costs for 1960 and estimates for 1961 and 1962 are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Income:			
Fees applied.....	975	985	995
Estimated value of materials deposited.....	551	557	562
Total income.....	1,526	1,542	1,557
Costs:			
Salaries.....	1,280	1,395	1,431
Other costs.....	169	194	186
Total costs.....	1,449	1,589	1,617

The program and performance under each of the activities described are predicated on an estimated 249 thousand copyright registrations during 1962, an estimated 246 thousand during 1961, and an actual 244 thousand during 1960.

1. *Receiving and accounting for applications, etc.*—Materials received by the Copyright Office are assembled and routed; accounts are maintained for all moneys received; records relating to the registration of copyrights are filed; and materials are deposited in accordance with the Copyright Act. Performance data for 1960 and estimates for 1961 and 1962 are as follows (in thousands):

	1960 actual	1961 estimate	1962 estimate
Registrations.....	244	246	249
Mail received and dispatched.....	538	543	549

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 (in thousands):

	1960 actual	1961 estimate	1962 estimate
Cases and documents examined.....	294	297	300
Registrations and recordation of documents.....	253	255	258

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 244 thousand registrations cataloged in 1960 and estimates for 1961 and 1962 are 246 thousand and 249 thousand, respectively.

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

	1960 actual	1961 estimate	1962 estimate
Titles searched.....	66	67	67
Letters and search reports written.....	27	27	28

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.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,251	1,383	1,420
Other personnel compensation.....	29	11	11
Total personnel compensation.....	1,280	1,394	1,431
12 Personnel benefits.....	84	107	109
21 Travel and transportation of persons.....	6	5	5
23 Rent, communications, and utilities.....	10	10	10
24 Printing and reproduction.....	59	65	54
25 Other services.....	1	1	1
26 Supplies and materials.....	7	5	5
31 Equipment (books and other library materials).....	3	2	2
Total obligations.....	1,449	1,589	1,617

Personnel Summary

Total number of permanent positions.....	245	247	251
Average number of all employees.....	239	245	249
Number of employees at end of year.....	238	244	248
Average GS grade.....	5.9	5.9	5.8
Average GS salary.....	\$5,236	\$5,654	\$5,643

LEGISLATIVE REFERENCE SERVICE

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of section 203 of the Legislative Reorganization Act of 1946, as amended (2 U.S.C.

166), [\$1,660,200] \$1,809,200: *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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research and analysis.....	1,195	1,508	1,532
2. Preparation of indexes and digests.....	79	82	84
3. Reference files, bibliographies, and congressional reader services.....	113	118	120
4. Administration.....	64	72	73
Total obligations.....	1,451	1,780	1,809
Financing:			
Unobligated balance lapsing.....	5		
New obligational authority.....	1,455	1,780	1,809
New obligational authority:			
Appropriation.....	1,455	1,660	1,809
Proposed supplemental due to pay increases.....		120	

The Legislative Reference Service prepares research reports, digests, etc., and supplies information 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 fields correspond in general to the areas of committee responsibility. 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 technology, and transportation and communications. The senior specialists provide authoritative research and consultative services. In addition, six subject matter divisions, upon request, furnish to Members and committees information on, or analysis of, public affairs problems in report form or otherwise, charts, translations, and bibliographies, and answers to spot reference questions. In 1960, a total of 81 thousand congressional inquiries were answered, an increase of 5.4% over the number answered in 1959. For the past 10 years, the average annual increase in the number of inquiries has been 7%. The number of inquiries in 1961 is estimated at 87 thousand; and in 1962 at 93 thousand.

2. *Preparation of indexes and digests.*—The Digest of Public General Bills covers all public bills and resolutions. It is expected that there will be about the same number of bills to be digested during the second session of the Eighty-seventh Congress as were digested for the second session of the Eighty-sixth Congress.

3. *Reference files, bibliographies, and congressional reader services.*—Reference files, containing clippings, pamphlets, and documents, are maintained as the basis for reply to a high percentage 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 1960, a total of 100 thousand reference file items were processed, 14 thousand bibliographic citations prepared, 86 thousand published items acquired and processed, and 4 thousand readers served.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,307	1,586	1,615
Positions other than permanent.....		25	25
Other personnel compensation.....	13	12	12
Total personnel compensation.....	1,320	1,623	1,652
12 Personnel benefits.....	90	120	120
21 Travel and transportation of persons.....	3	3	3
24 Printing and reproduction.....	23	25	25
25 Other services.....	1		
26 Supplies and materials.....	14	9	9
Total obligations.....	1,451	1,780	1,809

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	180	203	203
Full-time equivalent of other positions.....		5	5
Average number of all employees.....	170	193	194
Number of employees at end of year.....	178	216	217
Average GS grade.....	9.2	9.3	9.1
Average GS salary.....	\$7,691	\$8,222	\$8,339

DISTRIBUTION OF CATALOG CARDS

SALARIES AND EXPENSES

For necessary expenses for the preparation and distribution of catalog cards and other publications of the Library, [\$2,012,700] \$2,387,300. (2 U.S.C. 150; *Legislative Branch Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Supplying cards for the Library of Congress.....	307	323	331
2. Supplying cards for other libraries.....	1,206	1,271	1,487
3. Preparation, printing, and distribution of publications related to cataloging.....	118	125	141
4. Preparation, printing, and distribution of the National Union Catalog.....	299	315	360
5. Preparation, printing, and distribution of the Subject Catalog.....	50	67	69
Total obligations.....	1,980	2,101	2,387
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	1,981	2,101	2,387
New obligational authority:			
Appropriation.....	1,981	2,013	2,387
Proposed supplemental due to pay increases.....		88	

The card division sells copies of the Library's printed catalog cards and publications. It maintains a stock of over 140 million catalog cards representing some 3.4 million titles, and fills orders from over 10 thousand regular subscribers—mostly libraries—in the United States and abroad. In 1960, about 110% of this appropriation was recovered in the form of receipts from card and publica-

LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

DISTRIBUTION OF CATALOG CARDS—Continued

SALARIES AND EXPENSES—continued

tion sales. Receipts of \$2,171 thousand were deposited in miscellaneous receipts of the Treasury in 1960. The objectives for 1962 are: meeting the increased demand for catalog cards and maintaining a reasonable level of service and economy; providing older series of cards by electrostatic printing process thereby conserving space and providing fuller service; and the continued improvement of the National Union Catalog.

1. *Supplying cards for the Library of Congress.*—The number of cards supplied to the Library of Congress in 1960 was 4,970 thousand; estimated for 1961, at 5,000 thousand; and for 1962, at 5,050 thousand.

2. *Supplying cards for other libraries.*—The number of cards sold in 1960 was 32.1 million; estimated for 1961 at 33 million; and for 1962 at 34 million.

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 1,090 paid subscriptions for all issues in calendar year 1959, and it is estimated that there will be 1,130 subscriptions for 1960 and 1,160 for 1961. 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 409 paid subscriptions for calendar year 1959. It is estimated that there will be 415 paid subscriptions in 1960 and about 420 in 1961.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,066	1,163	1,421
Other personnel compensation.....	51	4	4
Total personnel compensation.....	1,117	1,167	1,425
12 Personnel benefits.....	71	92	112
21 Travel and transportation of persons.....	3	4	4
22 Transportation of things.....	2	3	3
23 Rent, communications, and utilities.....	38	38	38
24 Printing and reproduction.....	733	778	787
25 Other services.....	1	1	1
26 Supplies and materials.....	15	18	18
Total obligations.....	1,980	2,101	2,387

Personnel Summary

Total number of permanent positions.....	238	238	298
Average number of all employees.....	236	236	297
Number of employees at end of year.....	249	249	310
Average GS grade.....	4.5	4.5	4.3
Average GS salary.....	\$4,522	\$4,906	\$4,785

INCREASE OF THE LIBRARY OF CONGRESS

GENERAL INCREASE OF THE LIBRARY

For necessary expenses (except personal services) for acquisition of books, periodicals, and newspapers, and all other material for the increase of the Library, [\$400,000] \$470,000, to continue available during the next succeeding fiscal year. (2 U.S.C. 131, 132, 132a; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase of books and other library materials (total obligations).....	348	406	470
Financing:			
Unobligated balance brought forward.....	-4	-6	-----
Unobligated balance carried forward.....	6	-----	-----
New obligational authority (appropriation)	350	400	470

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 1962 are: to continue the procurement of important research materials to strengthen the Library's collections; to acquire selected important foreign newspapers and periodicals; to increase the acquisition of important materials from critical areas, particularly from Eastern Europe, Africa, and the Orient; to increase the acquisition of materials in the fields of science and technology; to continue the purchase of selected current titles on microfilm as an economy measure in lieu of binding; and to greatly expand the microfilming of deteriorating materials as a necessary preservative and space-saving measure.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	13	16	14
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	9	11	10
24 Printing and reproduction.....	1	1	70
31 Equipment.....	324	376	373
Total obligations.....	348	406	470

INCREASE OF THE LAW LIBRARY

For necessary expenses (except personal services) 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase of books and other library materials (total obligations).....	75	106	90

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-1	-16	
Unobligated balance carried forward.....	16		
New obligational authority (appropriation)	90	90	90

This appropriation constitutes the only means of acquiring law books 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	2	3	2
23 Rent, communications, and utilities.....	3	3	3
31 Equipment.....	70	100	84
Total obligations.....	75	106	90

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, **[\$35,000] \$33,000.** (2 U.S.C. 132; 28 U.S.C. 672; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase of books and periodicals (total obligations) (object class 31).....	30	35	38
Financing:			
New obligational authority (appropriation)...	30	35	38

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.

BOOKS FOR THE BLIND

SALARIES AND EXPENSES

For necessary salaries and expenses to carry out the provisions of the Act approved March 3, 1931 (2 U.S.C. 135a), as amended, **[\$1,710,700] \$1,786,100.** (2 U.S.C. 135a, 135a note, 135b; 71 Stat. 630; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Procurement and distribution.....	1,507	1,580	1,636
2. Cataloging, reference, circulating, and training services.....	109	143	150
Total obligations.....	1,617	1,723	1,786

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	3		
New obligational authority.....	1,619	1,723	1,786
New obligational authority:			
Appropriation.....	1,619	1,711	1,786
Proposed supplemental due to pay increases.....		12	

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

1. *Procurement and distributions.*—It provides books in embossed characters, and talking books with their associated reproducers. The books are distributed through 32 regional libraries which assume responsibility for their custody and circulation. The reproducers are distributed through 53 State agencies. The maintenance and procurement of these books are shown in the following table:

	1960 actual	1961 estimate	1962 estimate
Talking books purchased:			
(a) New titles.....	345	313	315
(b) Old titles re-recorded.....	45	30	30
Embossed books and magazines:			
(a) Press braille, made to order, titles.....	177	246	245
(b) Purchased from catalog, readymade, titles.....	95		
Talking-book machines:			
Purchased.....	7,000	11,250	11,250
Repaired.....	13,210	9,000	10,000
Salvaged-scrapped.....	522	6,000	6,000
Records replaced.....	13,794	15,000	15,000

Objectives for 1962 include the sustained procurement of titles of books, of more copies of the popular titles, of a sufficient number of machines to equip newly registered blind readers and to replace scrapped machines, and continuation of the quality inspection program on machines and with increased emphasis on research in sound reproduction.

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 28 thousand volumes) of books in braille not available elsewhere for loan in the United States. During the period 1946 to 1959 the number of readers throughout the country requiring catalogs from which to select reading matter has grown from 30 thousand to 63 thousand and circulation from 802 thousand units (volumes or containers) to about 1,950 thousand. The number of readers and circulation are expected to continue to increase in 1961 and 1962. Inquiries are received concerning library and related services available to the blind. Individuals throughout the nation who are interested in transcribing or proofreading braille are trained and those qualified are certified. During 1960, there were 544 individuals certified as compared to 573 in 1959, and it is anticipated that this level will continue during 1961 and 1962.

LIBRARY OF CONGRESS—Continued

Current authorizations—Continued

BOOKS FOR THE BLIND—Continued

SALARIES AND EXPENSES—continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	143	162	172
Other personnel compensation.....	1	1	1
Total personnel compensation.....	144	163	173
12 Personnel benefits.....	9	13	13
21 Travel and transportation of persons.....	7	11	11
22 Transportation of things.....	2		
23 Rent, communications, and utilities.....	6	8	8
24 Printing and reproduction.....	10	12	12
25 Other services.....	166	135	187
26 Supplies and materials.....	20	16	16
31 Equipment.....	1,253	1,364	1,364
Total obligations.....	1,617	1,723	1,786

Personnel Summary

Total number of permanent positions.....	28	29	31
Average number of all employees.....	28	28	30
Number of employees at end of year.....	28	29	31
Average GS grade.....	5.1	6.0	5.8
Average GS salary.....	\$5,114	\$5,837	\$5,793

ORGANIZING AND MICROFILMING THE PAPERS OF THE PRESIDENTS

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Act of August 16, 1957 (71 Stat. 368), **[\$106,800]** \$112,800, to remain available until expended. (2 U.S.C. 131; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Organizing, arranging, indexing, and micro-filming (total obligations).....	111	117	117
Financing:			
Unobligated balance brought forward.....	-38	-34	-30
Unobligated balance carried forward.....	34	30	26
New obligational authority.....	107	113	113
New obligational authority:			
Appropriation.....	107	107	113
Proposed supplemental due to pay increases.....		6	

Public Law 85-147 (2 U.S.C. 131), approved August 16, 1957, authorizes an appropriation of \$720 thousand, 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 \$107 thousand. Completion of the entire program is contemplated in another 4 years. The objectives for the fourth year will be to provide negative and positive service copy on microfilm of material arranged and indexed, and to continue publishing indexes by photo-offset in editions of 1,000 copies each.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	82	89	89
12 Personnel benefits.....	5	6	6
23 Rent, communications, and utilities.....	2	3	3
24 Printing and reproduction.....	21	19	19
Total obligations.....	111	117	117

Personnel Summary

Total number of permanent positions.....	18	17	17
Average number of all employees.....	18	17	17
Number of employees at end of year.....	17	17	17
Average GS grade.....	5.8	6.2	6.2
Average GS salary.....	\$4,692	\$5,276	\$5,276

PRESERVATION OF EARLY AMERICAN MOTION PICTURES

For necessary expenses 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]** \$60,600. (2 U.S.C. 131; Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Converting paper prints and nitrate film to safety base film (total obligations).....	60	61	61
Financing:			
New obligational authority.....	60	61	61
New obligational authority:			
Appropriation.....	60	60	61
Proposed supplemental due to pay increases.....		1	

For 1960, an appropriation of \$60 thousand was made 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.

During 1960, approximately 116 thousand feet of paper prints were converted and the remainder of 157 thousand feet of nitrate film in the George Kleine collection were converted to safety base film.

It is anticipated that with the \$60 thousand appropriated for 1961, an additional 105 thousand feet of paper prints will be converted.

The \$61 thousand requested for 1962 will allow for the conversion of an additional 105 thousand feet of paper prints. This will leave another 227 thousand feet to be copied.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	7	8	8
22 Transportation of things.....	1	1	1
25 Other services.....	51	51	51
Total obligations.....	60	61	61

Personnel Summary			
	1960 actual	1961 estimate	1962 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.....	3.0	3.0	3.0
Average GS salary.....	\$3,571	\$3,891	\$3,891

REVISION OF ANNOTATED CONSTITUTION

SALARIES AND EXPENSES

For necessary expenses to enable the Librarian to revise and extend the Annotated Constitution of the United States of America, \$34,200, to remain available until expended. (S. J. Res. 176, Sept. 13, 1960; 74 Stat. 898-899.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Preparation and revision of the Annotated Constitution of the United States (total obligations).....			34
Financing:			
New obligational authority (appropriation).....			34

Public Law 86-754 (74 Stat. 898), approved September 13, 1960, authorizes and directs the Librarian of Congress to have prepared a revised edition of the Annotated Constitution of the United States of America, such revised edition to be printed as a Senate document, specifies the number of copies to be for the use of the House and the Senate, and provides that sums appropriated be available until expended.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....			32
12 Personnel benefits.....			1
26 Supplies and materials.....			1
Total obligations.....			34

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....			5
Average number of all employees.....			3
Number of employees at end of year.....			3
Average GS grade.....			10.4
Average GS salary.....			\$9,455

ADMINISTRATIVE PROVISIONS

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

Not to exceed ten positions in the Library of Congress may be exempt from the provisions of appropriation Acts concerning the employment of aliens during the current fiscal year, but the Librarian shall not make any appointment to any such position until he has ascertained that he cannot secure for such appointments a person in any of the categories specified in such provisions who possesses the special qualifications for the particular position and also otherwise meets the general requirements for employment in the Library of Congress. (Legislative Branch Appropriation Act, 1961.)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation, "International educational exchange activities," Department of State.

Permanent authorizations:

OLIVER WENDELL HOLMES DEVISE FUND

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Preparation of the history of the Supreme Court (total obligations) (object class 25).....	68	95	86
Financing:			
Unobligated balance brought forward.....	-370	-329	-259
Unobligated balance carried forward.....	329	259	187
New obligational authority (appropriation)	26	26	15

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 \$37.5 thousand from the Rockefeller Foundation has been made available for the period 1960-62 to pay salaries of authors preparing the history during leaves of absence from their universities for one or more academic semesters.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Organization of collections:			
Department of Defense.....	615	677	677
Other agencies.....	115	159	159

LIBRARY OF CONGRESS—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Reference services:			
Air Force.....	3,704	3,807	3,807
Other agencies.....	412	402	402
3. Legislative Reference Service: Congressional committees and commissions.....	43	30	30
Total obligations.....	4,889	5,075	5,075
Financing:			
Unobligated balance brought forward.....	239	227	227
Advances and reimbursements from other accounts.....	4,882	5,075	5,075
Unobligated balance carried forward.....	-227	-227	-227
Unobligated balance lapsing.....	-6		
Total financing.....	4,889	5,075	5,075

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	3,645	3,809	3,809
Positions other than permanent.....	479	469	469
Other personnel compensation.....	97	99	99
Total personnel compensation.....	4,222	4,377	4,377
12 Personnel benefits.....	263	336	336
21 Travel and transportation of persons.....	28	59	59
23 Rent, communications, and utilities.....	20	21	21
24 Printing and reproduction.....	79	135	135
25 Other services.....	176	64	64
26 Supplies and materials.....	44	40	40
31 Equipment.....	39	26	26
41 Grants, subsidies, and contributions.....	18	17	17
Total obligations.....	4,889	5,075	5,075

Personnel Summary

Total number of permanent positions.....	587	550	550
Full-time equivalent of other positions.....	100	106	106
Average number of all employees.....	687	656	656
Number of employees at end of year.....	697	690	690
Average GS grade.....	8.3	8.7	8.7
Average GS salary.....	\$6,227	\$6,672	\$6,672

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; **[\$11,900,000] \$13,400,000: Provided,** That this appropriation shall not be available for printing and binding part 2 of the annual report of the Secretary of Agriculture (known as the Yearbook of Agriculture): *Provided further,* That this appropriation shall be available for the payment of obligations incurred under the appropriations for similar purposes for preceding fiscal years. (Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Printing, binding, and distribution (total obligations) (object class 24).....	16,800	10,000	10,000
Financing:			
Obligations in excess of availability (73 Stat. 412).....	-5,300		
Liquidation of prior year obligations.....		1,900	3,400
New obligational authority (appropriation)	11,500	11,900	13,400

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).

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); travel expenses (not to exceed \$1,500); price lists and bibliographies; repairs to buildings, elevators, and machinery; and supplying books to depository libraries; **[\$3,849,200] \$4,066,000.** (Legislative Branch Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
1. Sales distribution.....	2,185	2,494	2,517
2. Distribution for other agencies and Members of Congress.....	578	663	667
3. Depository library distribution.....	497	570	573
4. Cataloging and indexing.....	273	307	309
Total direct costs.....	3,533	4,034	4,066
Reimbursable costs:			
2. Distribution for other agencies and Members of Congress.....	136	65	65
Total program costs.....	3,669	4,099	4,131
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-13		
Obligations incurred for costs of other years, net.....		10	
Total obligations.....	3,656	4,109	4,131
Financing:			
Advances and reimbursements from other accounts.....	-136	-65	-65
New obligational authority	3,520	4,044	4,066
New obligational authority:			
Appropriation	3,520	3,849	4,066
Proposed supplemental due to pay increases		195	

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 1960, earnings from the sale of publications amounted to \$4,110 thousand. It is estimated that earnings for 1961 will be \$4,450 thousand and \$4,700 thousand for 1962. 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 593 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 U.S. 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: 1959, \$15 thousand; 1959 adjusted, \$13 thousand; 1960, \$0; 1961, \$10 thousand; 1962, \$10 thousand.

SUMMARY OF WORKLOAD

[In thousands]

	1960 actual	1961 estimate	1962 estimate
Number of sales orders.....	2,979	3,250	3,450
Letters of inquiry.....	1,669	1,800	1,900
Amount of sales.....	\$8,513	\$9,200	\$9,700
Number of publications sold.....	51,406	55,000	60,000
Publications distributed for other Government agencies.....	94,912	96,000	97,000
Number of publications distributed to depository libraries.....	5,371	5,700	6,000
Number of publications cataloged and indexed.....	48	49	50

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	1,988	2,339	2,368
Positions other than permanent.....	336	405	405
Other personnel compensation.....	194	38	29
Total personnel compensation.....	2,518	2,782	2,802
Direct obligations:			
11 Personnel compensation.....	2,389	2,718	2,738
12 Personnel benefits.....	127	175	177
21 Travel and transportation of persons.....		1	1
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	83	61	61
24 Printing and reproduction.....	568	675	675

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations—Continued			
25 Other services.....	90	92	92
26 Supplies and materials.....	258	287	287
31 Equipment.....	4	33	33
Total direct obligations.....	3,520	4,044	4,066
Reimbursable obligations:			
11 Personnel compensation.....	129	64	64
23 Rent, communications, and utilities.....	1	1	1
26 Supplies and materials.....	6		
Total reimbursable obligations.....	136	65	65
Total obligations.....	3,656	4,109	4,131

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	463	511	511
Full-time equivalent of other positions.....	83	93	93
Average number of all employees.....	539	599	599
Number of employees at end of year.....	479	511	511
Average salary of ungraded positions.....	\$4,361	\$4,629	\$4,686

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 establishments of the Federal Government, and furnishes on order, blank paper, inks, and similar supplies. Operations are subject to the authority of the Joint Committee on Printing (44 U.S.C.).

A separate appropriation 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 the revolving fund and cost of publications paid therefrom. All profits accruing from these transactions are deposited in the Treasury of the United States and credited to miscellaneous receipts (44 U.S.C. 63).

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	1,448	1,330	1,000
Expense:			
Materials applied.....	26,901	26,694	26,794
Other.....	71,371	73,206	73,606
Intragovernmental expense included above (—).....	—868	—870	—875
Increase in selected working capital.....	4,340	715	38
Total gross expenditures.....	103,192	101,075	100,563

GOVERNMENT PRINTING OFFICE—Continued

Intragovernmental funds—Continued

GOVERNMENT PRINTING OFFICE REVOLVING FUND—Continued

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Revenue.....	103,652	104,510	105,235
Proceeds from sale of equipment.....	13		
Total receipts from operations.....	103,664	104,510	105,235
Budget expenditures.....	-473	-3,435	-4,672

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	103,652	104,510	105,235
Expense.....	98,284	100,060	100,535
Net operating income.....	5,368	4,450	4,700
Nonoperating income:			
Proceeds from sale of equipment.....	13		
Net book value of assets sold (-).....	-7		
Net nonoperating income.....	6		
Net income for the year.....	5,374	4,450	4,700
Analysis of retained earnings:			
Retained earnings, beginning of year.....	8,360	9,382	9,382
Payment of earnings to Treasury (-).....	-4,351	-4,450	-4,700
Retained earnings, end of year.....	9,382	9,382	9,382

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	8,912	7,898	7,870
Accounts receivable, net.....	10,108	11,000	11,000
Commodities for sale.....	2,975	3,100	3,300
Work in process.....	14,589	14,400	14,400
Supplies.....	6,112	6,102	6,052
Deferred charges.....	91	76	64
Equipment, net.....	10,016	10,322	10,312
Work to be capitalized.....	7		
Total assets.....	52,810	52,898	52,998
Liabilities:			
Current.....	8,612	8,700	8,800
Government investment:			
Non-interest-bearing capital (start and end of year).....	34,815	34,815	34,815
Retained earnings.....	9,382	9,382	9,382
Total Government investment.....	44,198	44,198	44,198

Note.—Unpaid undelivered orders are as follows: 1959, \$9,499 thousand; 1960, \$8,975 thousand; 1961, \$9,000 thousand; 1962, \$9,000 thousand.
Accepted orders on hand (est.) are as follows: 1959, \$12,483 thousand; 1960, \$14,589 thousand; 1961, \$14,400 thousand; 1962, \$14,400 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	31,103	31,976	32,546
Other personnel compensation.....	6,801	6,624	6,454
Add excess of annual leave earned over leave taken.....	142		
Total personnel compensation.....	38,046	38,600	39,000

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	2,257	2,743	2,743
21 Travel and transportation of persons.....	9	9	9
22 Transportation of things.....	699	733	733
23 Rent, communications, and utilities.....	787	862	862
24 Printing and reproduction.....	29,510	30,000	30,000
25 Other services.....	119	121	121
26 Supplies and materials.....	26,692	26,790	26,850
31 Equipment.....	1,381	1,330	1,000
42 Insurance claims and indemnities.....	2	3	3
Total obligations.....	99,503	101,191	101,321

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	5,812	5,843	5,843
Average number of all employees.....	5,712	5,778	5,797
Number of employees at end of year.....	5,812	5,843	5,843
Average salary of ungraded positions.....	\$5,445	\$5,534	\$5,614

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. 314, 335, 340, 418, 429, 493, and 500] *House resolutions* of the Eighty-sixth 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. (a) The second sentence of section 502(b) of the Mutual Security Act of 1954, as amended, is amended to read as follows: "Within the first sixty days that Congress is in session in each calendar year, the chairman of each such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member and employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or a joint committee whose funds are disbursed by the Secretary of the Senate)."

(b) Each member of the United States group or delegation to the Interparliamentary Union, the NATO parliamentarian's Conference, the Canada-United States Interparliamentary Group, the Mexico-United States Interparliamentary Group, or any similar interparliamentary group of which the United States is a member, and each employee of the Senate or House of Representatives, by whom or on whose behalf expenditures are made from funds appropriated for the expenses of such group or delegation, shall file with the chairman of the Committee on Foreign Relations of the Senate in the case of Members or employees of the Senate, or with the Committee on Foreign Affairs of the House of Representatives in the case of Members or employees of the House, an itemized report showing all such expenditures made by or on behalf of each Member or employee together with the purposes of the expenditure, in-

cluding lodging, meals, transportation, and other purposes. Within sixty days after the beginning of each regular session of Congress the chairman of the Committee on Foreign Relations and the chairman of the Committee on Foreign Affairs shall prepare consolidated reports showing with respect to each such group or delegation the total amount expended, the purposes of the expenditures, the amount expended for each such purpose, the names of the Members or employees by or on behalf of whom the expenditures were made and the amount expended by or on behalf of each Member or employee for each such purpose. The consolidated reports prepared by the chairman of the Committee on Foreign Relations of the Senate shall be filed with the Committee on Appropriations of the Senate and the consolidated reports prepared by the chairman of the Committee on Foreign Affairs of the House shall be filed with the Committee on House Administration of the House. Each such consolidated report shall be printed in the Congressional Record within ten days after receipt by the Committee on Appro-

priations of the Senate or the Committee on House Administration of the House.】

【(c) Section 60 of the Revised Statutes (2 U.S.C. 102) is amended by adding at the end thereof a new paragraph as follows:】

【“Reports of the Secretary of the Senate and the Clerk of the House of Representatives under this section shall be printed as Senate and House documents, respectively.”】

【No funds made available in this or any other Act shall be used to pay the expenses of travel or subsistence for any trip made by any Senator or Representative between the District of Columbia and his home State in the case of a Senator, or his district in the case of a Representative, other than (1) trips which are specifically authorized by law for mileage or transportation expense of Senators and Representatives, (2) official participation in the funeral services of deceased Senators or Representatives, or (3) official trips originating in the Senator's State or Representative's district during periods when Congress is not in session.】 (*Legislative Branch Appropriation Act, 1961.*)

THE JUDICIARY

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
SUPREME COURT OF THE UNITED STATES									
Current authorizations:									
Salaries.....	602	1,336	1,370	86	1,479	1,297	1,487	1,478	1,430
Printing and binding Supreme Court reports.....	602	90	90		92	87	90	92	47
Miscellaneous expenses.....	602	74	70		100	71	75	100	86
Reappropriation.....	602	5							
Care of buildings and grounds.....	602	347	287		288	314	341	288	278
Automobile for the Chief Justice.....	602	6	6	1	7	6	5	7	6
Total, Supreme Court of the United States.....		1,858	1,823	87	1,966	1,775	1,999	1,965	1,847
COURT OF CUSTOMS AND PATENT APPEALS									
Current authorizations:									
Salaries and expenses.....	602	332	343	14	359	307	355	359	329
CUSTOMS COURT									
Current authorizations:									
Salaries and expenses.....	602	788	799	41	935	755	840	930	830
COURT OF CLAIMS									
Current authorizations:									
Salaries and expenses.....	602	875	886	29	955	815	911	950	875
Repairs and improvements.....	602	10	10		10	8	10	9	9
Total, Court of Claims.....		884	896	29	964	822	921	959	884
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES									
Current authorizations:									
Salaries of judges.....	602	9,185	9,200		9,200	9,097	9,190	9,200	8,250
Salaries of supporting personnel.....	602	21,501	22,085	1,698	24,862	21,485	23,674	24,822	23,862
Fees of jurors and commissioners.....	602	4,820	4,500		4,500	4,735	4,496	4,500	4,120
Travel and miscellaneous expenses.....	602	3,500	3,785		4,818	3,456	4,120	4,308	4,218
Administrative Office of the United States Courts.....	602	1,200	1,293	75	1,526	1,170	1,370	1,516	1,446
Salaries of referees (special fund).....	602	2,006	2,125		2,455	1,981	2,118	2,435	2,215
Expenses of referees (special fund).....	602	3,050	3,300	205	4,465	3,030	3,639	4,265	4,205
Permanent authorizations:									
Grants to Alaska of court receipts, United States courts (indefinite special fund).....	610	749				749			
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Travel and miscellaneous expenses.....	602			410			40	370	
Expenses of referees (special fund).....	602			173			13	160	
Total, courts of appeals, district courts, and other judicial services.....		46,011	46,288	2,561	51,826	45,703	48,660	51,576	48,316
Total new obligational authority and budget expenditures.....		49,874	50,149	2,732	56,050	49,363	52,775	55,789	52,206
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		49,120	50,149		56,050	49,363	50,686	55,147	52,206
Reappropriations.....		5							
Permanent authorizations:									
Appropriations.....		749							
Proposed for later transmission:									
Pay increase supplemental appropriations.....			2,149				2,036	112	
Other: Appropriations.....			583				53	530	
Total new obligational authority and budget expenditures.....		49,874	52,881		56,050	49,363	52,775	55,789	52,206

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations.....		3,449		3,478		3,054		3,845
Balances of pay increase supplementals included above.....						-112		
Total, appropriations.....		3,449		3,478		2,942		3,845
Proposed for later transmission:								
Appropriations, other than pay increase supplementals.....						530		
Anticipated pay increase supplemental appropriations.....						112		
Total, proposed for later transmission.....						642		
Total, the judiciary.....		3,449		3,478		3,584		3,845

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	49,874	52,881	56,050
Unobligated balances lapsing (-).....	-434		
Obligations incurred, net	49,440	52,881	56,050
Obligated balances brought forward, start of year.....	3,449	3,478	3,584
Adjustments of obligated balances in expired accounts.....	-48		
Obligated balances carried forward, end of year (-).....	-3,478	-3,584	-3,845
Budget expenditures	49,363	52,775	55,789

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
General government:						
602 Judicial functions.....	49,125	52,881	56,050	48,614	52,775	55,789
610 Other general government.....	749			749		
Total, general government.....	49,874	52,881	56,050	49,363	52,775	55,789

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, **[\$1,370,000]** \$1,479,000. (28 U.S.C. 1, 5, 672-675; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries, Supreme Court (total obligations).....	1,304	1,456	1,479
Financing:			
Unobligated balance lapsing.....	32		
New obligational authority	1,336	1,456	1,479
New obligational authority:			
Appropriation.....	1,336	1,370	1,479
Proposed supplemental due to pay increases.....		86	

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	1,169	1,288	1,315
Positions other than permanent.....	64	79	79
Other personnel compensation.....	7	4	
Total personnel compensation.....	1,240	1,371	1,394
12 Personnel benefits.....	64	85	85
Total obligations.....	1,304	1,456	1,479

Personnel Summary

Total number of permanent positions.....	164	166	168
Full-time equivalent of other positions.....	17	20	20
Average number of all employees.....	171	182	184
Number of employees at end of year.....	193	204	206

PRINTING AND BINDING SUPREME COURT REPORTS

For printing and binding the advance opinions, preliminary prints, and bound reports of the Court, **[\$90,000]** \$92,000. (28 U.S.C. 411, 412, 673; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Printing and binding Supreme Court reports (total obligations) (object class 24).....	90	90	92
Financing:			
New obligational authority (appropriation)	90	90	92

MISCELLANEOUS EXPENSES

For miscellaneous expenses, to be expended as the Chief Justice may approve, **[\$69,800]** \$100,000. (Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous expenses, Supreme Court (total obligations).....	79	70	100
Financing:			
New obligational authority	79	70	100
New obligational authority:			
Appropriation.....	74	70	100
Reappropriation.....	5		

Object Classification (in thousands of dollars)

21 Travel and transportation of persons.....		1	1
22 Transportation of things.....		2	2
23 Rent, communications, and utilities.....	14	15	15
24 Printing and reproduction.....	14	15	15
25 Other services.....	6	7	10
26 Supplies and materials.....	20	19	19
31 Equipment.....	25	11	38
Total obligations.....	79	70	100

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); **[\$287,200]** \$288,000. (Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Structural and mechanical care of Supreme Court Building and grounds, including supplying of mechanical furnishings and equipment (total obligations).....	345	287	288
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation)	347	287	288

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	177	185	188
Other personnel compensation.....	42	49	49
Total personnel compensation.....	219	234	237
12 Personnel benefits.....	12	15	17
25 Other services:			
General annual repairs.....	7	9	9
Annual painting.....	4	2	3
Maintenance, air-conditioning system.....	10	2	2
Roof repairs.....	23		10
Installation of bronze display cases.....			3
Pointing exterior stonework.....	18	18	
Installation of electronic bird-elimination system.....	34		
Improved lighting, Judges' chambers.....	3		

SUPREME COURT OF THE UNITED STATES—Con.

Current authorizations—Continued

CARE OF THE BUILDING AND GROUNDS—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	9	6	6
31 Equipment:			
Annual.....	1	1	1
Sump pumps.....	1		
Metal shelving and lighting.....	4		
Total obligations.....	345	287	288

Personnel Summary

Total number of permanent positions.....	33	33	33
Average number of all employees.....	33	33	33
Number of employees at end of year.....	33	33	33

AUTOMOBILE FOR THE CHIEF JUSTICE

For purchase, exchange, lease, driving, maintenance, and operation of an automobile for the Chief Justice of the United States, **[\$6,365] \$6,702.** (*Judiciary Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Automobile for the Chief Justice (total obligations).....	6	7	7
Financing:			
New obligational authority.....	6	7	7
New obligational authority:			
Appropriation.....	6	6	7
Proposed supplemental due to pay increases.....		1	

Object Classification (in thousands of dollars)

11 Personnel compensation: Permanent positions.....	4	5	5
21 Travel and transportation of persons.....	1	1	1
26 Supplies and materials.....	1	1	1
Total obligations.....	6	7	7

Personnel Summary

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

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Communication services (total obligations).....	20	24	25

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from other accounts.....	20	24	25

Object Classification (in thousands of dollars)

11 Personnel compensation: Permanent positions.....		4	5
23 Rent, communications, and utilities.....	20	20	20
Total obligations.....	20	24	25

Personnel Summary

Total number of permanent positions.....		1	1
Average number of all employees.....		1	1
Number of employees at end of year.....		1	1

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, **[\$343,000] \$359,000.** (*5 U.S.C. 836-842; 28 U.S.C. 211-213, 604, 831-834, 961, 962; Judiciary Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and expenses (total obligations).....	308	357	359
Financing:			
Unobligated balance lapsing.....	24		
New obligational authority.....	332	357	359
New obligational authority:			
Appropriation.....	332	343	359
Proposed supplemental due to pay increases.....		14	

This item is not subject to the approval of the Judicial Conference.

The U.S. Court of Customs and Patent Appeals has exclusive jurisdiction in appeals from judgments of the U.S. 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 revenue. 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 trademark cases, except those involving equity.

	Customs cases		Patent and trademark cases	
	1959	1960	1959	1960
Pending, beginning of year.....	30	35	92	129
Docketed during year.....	40	45	107	127
Disposed of during year.....	35	41	70	122
Pending, end of year.....	35	39	129	134

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	275	303	305
Positions other than permanent.....		10	10
Other personnel compensation.....	1	1	
Total personnel compensation.....	276	314	316
12 Personnel benefits.....	14	17	17
21 Travel and transportation of persons.....	1	2	2
23 Rent, communications, and utilities.....	2	2	2
24 Printing and reproduction.....	9	17	17
25 Other services.....	1	1	1
26 Supplies and materials.....	1	1	1
31 Equipment.....	3	4	4
Total obligations.....	308	357	359

Personnel Summary

Total number of permanent positions.....	26	28	28
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	25	28	28
Number of employees at end of year.....	26	28	28

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 court, **[\$799,260] \$935,000: 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, 873, 961, 962; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and expenses (total obligations).....	774	840	935
Financing:			
Unobligated balance lapsing.....	14		
New obligational authority.....	788	840	935
New obligational authority:			
Appropriation.....	788	799	935
Proposed supplemental due to pay increases.....		41	

This item is not subject to the approval of the Judicial Conference.

The U.S. 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	Decided	Pending, end of year
Classification cases:				
1959.....	122,875	33,829	26,094	130,610
1960.....	130,610	33,397	50,336	113,671
Reappraisement cases:				
1959.....	86,668	22,376	20,663	88,381
1960.....	88,381	19,747	32,276	75,852
Applications for review:				
1959.....	430	77	337	170
1960.....	170	268	164	274
Petitions for remission of additional duties:				
1959.....	14	6	18	2
1960.....	2	3	3	2
Remands of protests:				
1959.....	87	34	56	65
1960.....	65	13	56	22

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	630	730	785
Positions other than permanent.....	17	7	7
Other personnel compensation.....	3	2	
Total personnel compensation.....	650	739	792
12 Personnel benefits.....	36	47	51
21 Travel and transportation of persons.....	18	20	22
22 Transportation of things.....	5	4	5
23 Rent, communications, and utilities.....	10	10	11
24 Printing and reproduction.....	6	5	11
25 Other services.....	19	2	3
26 Supplies and materials.....	6	6	6
31 Equipment.....	23	8	35
Total obligations.....	774	840	935

Personnel Summary

Total number of permanent positions.....	86	89	95
Full-time equivalent of other positions.....	4	2	2
Average number of all employees.....	83	90	95
Number of employees at end of year.....	93	90	95

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, **[\$886,000] \$955,000.** (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(a); Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and expenses (total obligations).....	822	915	955

COURT OF CLAIMS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	53		
New obligational authority.....	875	915	955
New obligational authority:			
Appropriation.....	875	886	955
Proposed supplemental due to pay increases.....		29	

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 the 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.

CASELOAD

	1959	1960
Pending, beginning of year ¹	6,849	6,028
Docketed during year.....	1,815	2,277
Disposed of during year.....	2,636	1,375
Pending, end of year ¹	6,028	6,930

¹ Court year from Oct. 5 to Oct. 4.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	666	758	789
Positions other than permanent.....	6	6	6
Other personnel compensation.....	4	2	
Total personnel compensation.....	676	767	795
12 Personnel benefits.....	40	49	51
21 Travel and transportation of persons.....	15	18	21
23 Rent, communications, and utilities.....	9	8	8
24 Printing and reproduction.....	66	61	66
25 Other services.....	1	1	1
26 Supplies and materials.....	6	5	6
31 Equipment.....	10	6	7
Total obligations.....	822	915	955

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	74	76	78
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	73	75	77
Number of employees at end of year.....	78	80	82

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, \$9,500. (*31 Stat. 1135; Judiciary Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Structural and mechanical maintenance (total obligations) (object class 25).....	8	10	10
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation).....	10	10	10

This appropriation provides for structural repairs and improvements to the Court of Claims buildings, including the repair and maintenance of the mechanical equipment. The work is performed under the supervision of the Architect of the Capitol.

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 the Virgin Islands, the Panama Canal Zone, and Guam); 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; \$9,200,000. (*28 U.S.C. 44, 133, 135, 604(a)(7); 48 U.S.C. 1405y, 1424b, 1614; 7 C.Z. Code, secs. 30, 42; Judiciary Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and benefits (total obligations).....	9,107	9,200	9,200
Financing:			
Unobligated balance lapsing.....	78		
New obligational authority (appropriation).....	9,185	9,200	9,200

The statutory salaries and benefits of all active U.S. circuit and district judges, 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 surviving widows of Supreme Court

justices. The amount requested for 1962 will be sufficient to pay on the average 384 circuit, district, senior, and resigned judges, or 3 more than the average number on the rolls during 1960

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	8,825	8,886	8,886
12 Personnel benefits.....	257	289	289
13 Benefits for former personnel ¹	25	25	25
Total obligations.....	9,107	9,200	9,200

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions:			
Active judges.....	316	313	313
Senior and resigned judges.....	81	84	84
Average number of all judges.....	381	384	384
Number of judges at end of year:			
Active judges.....	301	300	300
Senior and resigned judges.....	80	86	86

¹ Widows of Supreme Court justices.

SALARIES OF SUPPORTING PERSONNEL

For salaries of all officials and employees of the Federal Judiciary, not otherwise specifically provided for, **[\$22,085,000] \$24,862,000**: *Provided*, That the compensation of secretaries and law clerks of circuit and district judges shall be fixed by the Director of the Administrative Office 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 shall not exceed **[\$14,835] \$15,950** per annum, except in the case of the chief judge of each circuit and the chief judge of each district court having five or more district judges, in which case the aggregate salaries shall not exceed **[\$19,815] \$21,305** per annum. (18 U.S.C. 3654, 3655; 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. 863; 78 Stat. 546; 11 D.C.C. 312, 332; 19 D.C.C. 401, 403; 7 C.Z. Code, sec. 36; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and benefits:			
Direct obligations.....	21,500	23,783	24,862
Reimbursable obligations.....	7	7	7
Total obligations.....	21,507	23,790	24,869
Financing:			
Advances and reimbursements from other accounts.....	-7	-7	-7
Unobligated balance lapsing.....	1		
New obligational authority.....	21,501	23,783	24,862
New obligational authority:			
Appropriation.....	21,501	22,085	24,862
Proposed supplemental due to pay increases.....		1,698	

The primary and appellate jurisdiction of the courts of the United States are vested in the 91 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. The estimate for 1962 will permit the employment of additional deputy clerks to handle an increase in the volume of work in the clerks' offices due primarily to rising bankruptcy filings, an increase in civil cases filed and substantial increases in the number of passport applications and petitions for naturalization processed by the district courts. Funds also are included for additional probation officers, in an effort to reduce the caseload per officer so as to provide more effective probation and parole investigation and supervision. Provision has been made for the employment of additional law clerks and secretaries to judges; clerk-stenographers for probation officers; clerical assistants for U.S. commissioners; court reporters; and other court personnel. Provision also has been made for an increase in the allotments for temporary emergency employment for clerks' offices, probation offices, and judges, including temporary court reporters to serve visiting judges and in land condemnation proceedings; and for salary adjustments for certain court personnel under standards approved by the Judicial Conference of the United States.

CASELOAD

	Pending, beginning of year	Received	Terminated	Pending, end of year
Courts of appeals:				
1959.....	2,033	3,754	3,753	2,034
1960.....	2,034	3,899	3,713	2,220
District courts:				
Civil:				
1959.....	68,168	57,800	62,172	63,796
1960.....	63,796	59,284	61,829	61,251
Criminal:				
1959.....	7,451	28,729	28,521	7,727
1960.....	7,727	28,137	28,193	7,691
Passport applications filed.....			1959 197,828	1960 222,141
Probation system:				
Persons under supervision, end of year.....			34,112	34,343
Presentence investigations during year.....			23,992	23,662

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	15,744	17,308	18,129
Positions other than permanent.....	4,201	4,696	4,967
Other personnel compensation.....	219	146	62
Total personnel compensation.....	20,164	22,150	23,159
Direct obligations:			
11 Personnel compensation.....	20,156	22,143	23,152
12 Personnel benefits.....	1,344	1,640	1,710
Total direct obligations.....	21,500	23,783	24,862
Reimbursable obligations:			
11 Personnel compensation.....	7	7	7
Total obligations.....	21,507	23,790	24,869

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2,723	2,753	2,837
Full-time equivalent of other positions.....	679	685	714
Average number of all employees.....	3,343	3,393	3,497
Number of employees at end of year.....	3,375	3,410	3,520

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Current authorizations—Continued

FEES OF JURORS AND COMMISSIONERS

For fees, expenses, and costs of jurors; compensation of jury commissioners; [and] fees of United States commissioners and other committing magistrates acting under title 18, United States Code, section 3041; and compensation of voting referees fixed by the court pursuant to the provisions of the Civil Rights Act of 1960 (74 Stat. 86); \$4,500,000. (5 U.S.C. 2252(g); 11 U.S.C. 203(b); 28 U.S.C. 604, 631, 633, 636, 1864, 1865, 1871; 48 U.S.C. 867; 73 Stat. 147; 74 Stat. 90, 91; 11 D.C.C. 1401; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Fees, expenses, and costs (total obligations).....	4,683	4,500	4,500
Financing:			
Unobligated balance lapsing.....	137		
New obligational authority (appropriation)	4,820	4,500	4,500

This appropriation provides for the statutory fees and allowances of jurors, fees of jury commissioners, and fees and personnel benefits of U.S. commissioners, who serve primarily as committing magistrates. A change in the language of the appropriation is proposed so as to permit the payment of compensation of voting referees pursuant to the provisions of the Civil Rights Act of 1960.

The amount of service and the compensation of jurors depends largely on the number of jury trials requested by the parties to civil and criminal cases in the U.S. courts and to the administration of the jury system. A substantial reduction in fees paid jurors was accomplished during 1960 through the efforts of the courts and the Administrative Office of the United States Courts in improving the jury system so as to provide for the greater utilization of jurors. A further reduction in fees of jurors is expected to be realized during 1961.

The earnings of commissioners are directly related to the volume of cases presented by law-enforcement officials.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Fees of U.S. commissioners.....	762	750	750
Fees of jury commissioners.....	10	10	10
Fees of jurors.....	2,469	2,350	2,350
Total personnel compensation.....	3,241	3,110	3,110
12 Personnel benefits.....	28	30	30
21 Travel and transportation of persons.....	1,354	1,290	1,290
25 Other services.....	61	70	70
Total obligations.....	4,683	4,500	4,500

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, and the cost of contract statistical services for the office of Register of Wills of the District of Columbia, [\$3,785,000] \$4,818,000: 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 in-

curred 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, 1915(b); 48 U.S.C. 863; 7 C.Z. Code, sec. 30; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Travel and miscellaneous expenses:			
Direct obligations.....	3,469	3,785	4,818
Reimbursable obligations.....	10	5	5
Total obligations.....	3,479	3,790	4,823
Financing:			
Advances and reimbursements from other accounts.....	-10	-5	-5
Unobligated balance lapsing.....	31		
New obligational authority (appropriation)	3,500	3,785	4,818

Funds appropriated under this heading are for expenses of travel and subsistence incurred by judges and supporting personnel in attending sessions of court or transacting other official business; and for equipment, furniture, lawbooks, supplies, and other incidental expenses of operating the 11 courts of appeals and 91 district courts of the United States.

The estimate for 1962 includes a request for funds to cover contract and other rate increases and general increases in the volume of printing supplies and services. Provision also has been made for equipment, furniture, and miscellaneous expenses for new personnel requested under the heading Salaries of supporting personnel.

The estimate includes additional funds for travel of judges attending seminars (including institutes on sentencing) and for travel of judges and staffs on assignments to other districts. It provides for the improvement of telephone facilities and for carrying out recommendations for management improvements based on a recently conducted survey. Provision also has been made for tenant alterations and services to be provided by the General Services Administration on a reimbursable basis and the nonrecurring expense of furniture and furnishings required incident to the occupancy of new buildings. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
21 Travel and transportation of persons.....	1,406	1,455	1,555
22 Transportation of things.....	25	30	33
23 Rent, communications, and utilities.....	542	597	642
24 Printing and reproduction.....	200	213	220
25 Other services.....	74	60	188
Transcripts ordered by courts.....	79	90	90
26 Supplies and materials.....	230	230	245
31 Equipment:			
General office.....	149	135	255
Furniture.....	259	375	1,019
Lawbooks, accessions.....	109	150	103
Lawbooks, continuations.....	397	450	467
Total direct obligations.....	3,469	3,785	4,818
Reimbursable obligations:			
24 Printing and reproduction.....	10	5	5
Total obligations.....	3,479	3,790	4,823

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

For necessary expenses of the Administrative Office of the United States Courts, including travel, advertising, and rent in the District of Columbia and elsewhere, **[\$1,292,940]** \$1,526,000. (5 U.S.C. 1105(f); 28 U.S.C. 601-606; 70 Stat. 738, 739; 73 Stat. 652; Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and expenses (total obligations).....	1,187	1,368	1,526
Financing:			
Unobligated balance lapsing.....	13		
New obligational authority.....	1,200	1,368	1,526
New obligational authority:			
Appropriation.....	1,200	1,293	1,526
Proposed supplemental due to pay increases.....		75	

The office pursuant to section 604 of title 28, United States Code, under the supervision and direction of the Judicial Conference of the United States, is responsible for the administration of the U.S. courts, including the probation and bankruptcy systems. The principal functions consist of providing staff and services for the courts; conducting a continuous study of the rules of practice and procedure in the Federal courts; examining the state of the dockets of the various courts; compiling and publishing statistical data concerning the business transacted by the courts; and administering the Judicial Survivors Annuity System under title 28, United States Code, section 376. The office also is responsible for the preparation and submission of the annual budget estimates as well as supplemental and deficiency estimates; the disbursement of and accounting for moneys appropriated for the operation of the courts; the audit and examination of accounts; the purchase and distribution of supplies, equipment and furniture; and for securing adequate space for occupancy by the courts and for such other matters as may be assigned by the Supreme Court and the Judicial Conference of the United States.

The office in 1962 will continue its efforts to assist the courts with the enormous task of coping with the backlog of civil cases. The office plans on an expansion of the program of administrative supervision over the financial and administrative operations of the offices of the referees, trustees, and receivers in bankruptcy. It intends to provide more extensive staff assistance in the planning and development of national and circuit sentencing institutes; improvement and expansion of the research and statistical program as well as the program for personnel administration, including the study of classification standards and position evaluation.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	919	1,070	1,159
Positions other than permanent.....	7	56	66
Other personnel compensation.....	33	14	10
Total personnel compensation.....	959	1,141	1,235
12 Personnel benefits.....	63	81	88
21 Travel and transportation of persons.....	36	43	48

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	58	61	70
24 Printing and reproduction.....	13	13	14
25 Other services.....	8	9	14
26 Supplies and materials.....	22	13	20
31 Equipment.....	28	6	36
Total obligations.....	1,187	1,368	1,526

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	158	160	172
Full-time equivalent of other positions.....	4	7	8
Average number of all employees.....	149	164	177
Number of employees at end of year.....	157	164	177

SALARIES OF REFEREES

(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 **[\$2,125,000]** \$2,455,000, to be derived from the Referees' salary and expense fund established in pursuance of said Act. (Judiciary Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and benefits (total obligations).....	1,987	2,125	2,455
Financing:			
Unobligated balance lapsing.....	20		
New obligational authority (appropriation).....	2,006	2,125	2,455

The district courts of the United States are constituted courts of bankruptcy, vested 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 benefits are paid from this appropriation, which is derived from a special fund in the Treasury to which are deposited payments of fees and charges by parties to the proceedings. The present system is self-sustaining, and no appropriation from the general fund of the Treasury is required.

Additional full-time referees and the conversion of a number of part-time referees to full-time have been requested for 1962 to cope with rising caseloads forecast for the current and ensuing years.

CASELOAD

	1959	1960,
Pending, beginning of year.....	80,446	84,273
Filed during year.....	100,672	110,034
Closed during year.....	96,845	99,317
Pending, end of year.....	84,273	94,990

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,506	1,608	2,011
Positions other than permanent.....	355	371	276
Total personnel compensation.....	1,861	1,979	2,287

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES—Continued

Current authorizations—Continued

SALARIES OF REFEREES—Continued

(Special fund)—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	126	146	168
Total obligations.....	1,987	2,125	2,455

Personnel Summary

Total number of permanent positions.....	107	112	138
Full-time equivalent of other positions.....	33	33	25
Average number of all employees.....	139	143	162
Number of employees at end of year.....	172	179	189

EXPENSES OF REFEREES

(Special fund)

For expenses of referees as authorized by the Act of June 28, 1946, as amended (11 U.S.C. 68, 102), not to exceed **[\$3,300,000]** \$4,465,000, to be derived from the Referees' salary and expense fund established in pursuance of said Act. (*Judiciary Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Clerk hire and miscellaneous expenses of referees (total obligations).....	3,023	3,505	4,465
Financing:			
Unobligated balance lapsing.....	27		
New obligational authority.....	3,050	3,505	4,465
New obligational authority:			
Appropriation.....	3,050	3,300	4,465
Proposed supplemental due to pay increases.....		205	

Office and other expenses of referees, including compensation and benefits of clerical employees, are payable upon authorization of the Director of the Administrative Office of the United States Courts. Caseload data appear under the account for salaries of referees. This appropriation is derived from a special fund in the Treasury to which are deposited payments of fees and charges by parties to the proceedings. The present system is self-sustaining, and no appropriation from the general fund of the Treasury is required.

In order to handle the pending caseload and the anticipated increase in the volume of cases to be filed in 1961 and 1962, it is necessary to provide for expansion of the referees' staffs and their facilities. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,046	2,426	3,038
Positions other than permanent.....	207	235	235
Other personnel compensation.....	18	11	1
Total personnel compensation.....	2,271	2,672	3,274
12 Personnel benefits.....	149	193	241
21 Travel and transportation of persons.....	77	80	90
22 Transportation of things.....	5	7	7
23 Rent, communications, and utilities.....	287	322	382
24 Printing and reproduction.....	25	30	34
25 Other services.....	13	16	24
26 Supplies and materials.....	78	80	92
31 Equipment.....	117	105	320
Total obligations.....	3,023	3,505	4,465

Personnel Summary

Total number of permanent positions.....	500	520	640
Full-time equivalent of other positions.....	52	55	55
Average number of all employees.....	522	565	685
Number of employees at end of year.....	596	590	710

REFEREES SALARY AND EXPENSE FUND

(Indefinite special fund)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance at beginning of year.....	6,600	7,470	8,260
Receipts.....	5,879	6,420	7,040
Unobligated balance returned to unappropriated receipts.....	48		
Total available for appropriation.....	12,527	13,890	15,300
Deduct appropriation:			
Salaries of referees.....	2,006	2,125	2,455
Expenses of referees.....	3,050	3,505	4,465
Total appropriation.....	5,056	5,630	6,920
Unappropriated balance at end of year.....	7,470	8,260	8,380

Permanent authorizations:

GRANTS TO ALASKA OF COURT RECEIPTS, UNITED STATES COURTS

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Salaries and expenses of the United States District Court for the Territory of Alaska (total obligations).....	749		
Financing:			
New obligational authority (appropriation).....	749		

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	11		
12 Personnel benefits.....	2		
21 Travel and transportation of persons.....	2		
22 Transportation of things.....	3		
23 Rent, communications, and utilities.....	4		
25 Other services.....	1		
26 Supplies and materials.....	1		
31 Equipment.....	15		
41 Grants, subsidies, and contributions.....	710		
Total obligations.....	749		

Proposed for later transmission:

TRAVEL AND MISCELLANEOUS EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Travel and miscellaneous expenses (total obligations).....		410	
Financing:			
New obligational authority (proposed supplemental appropriation).....		410	

Under existing legislation, 1961.—A supplemental appropriation is anticipated for furniture and furnishings required incident to the occupancy of new buildings, and for the replacement of furniture in existing buildings. It is anticipated that funds will also be required for the purchase of West's Modern Federal Practice Digest for judges' libraries to replace the Lifetime Federal Digest. The purchase of the new digest at a cost of \$6.11 per volume requires a change in the limitation contained in the Gen-

eral Government Matters Appropriation Act, 1961, section 205, 74 Stat. 477, of \$4.25 per volume of the Lifetime Federal Digest, which limitation is considered applicable to the new digest.

EXPENSES OF REFEREES

(Special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Clerk hire and miscellaneous expenses (total obligations).....		173	
Financing:			
New obligational authority (proposed supplemental appropriation).....		173	

Under existing legislation, 1961.—A supplemental appropriation is anticipated for salaries and related expenses (including equipment and furniture) of 60 additional clerks for the last 3 months of the year in order to cope with the rising bankruptcy caseload. It is anticipated that funds also will be needed for the replacement of furniture in existing buildings and for furniture and furnishings required incident to the occupancy of new buildings.

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, 1961.*)

EXECUTIVE OFFICE OF THE PRESIDENT

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
COMPENSATION OF THE PRESIDENT									
Current authorizations:									
Compensation of the President.....	603	150	150	-----	150	150	150	150	150
THE WHITE HOUSE OFFICE									
Current authorizations:									
Salaries and expenses.....	603	2,221	2,398	100	2,495	2,222	2,500	2,500	2,346
SPECIAL PROJECTS									
Current authorizations:									
Special projects.....	603	1,500	1,500	-100	1,500	1,213	1,500	1,500	1,422
EXECUTIVE MANSION AND GROUNDS									
Current authorizations:									
Executive Mansion and grounds.....	603	475	505	-----	528	449	510	525	496
Extraordinary alterations and repairs.....	603		100	-----		16	112	25	-----
Total, Executive Mansion and grounds.....		475	605	-----	528	465	622	550	496
BUREAU OF THE BUDGET									
Current authorizations:									
Salaries and expenses.....	603	4,665	5,000	286	5,530	4,632	5,216	5,516	5,156
COUNCIL OF ECONOMIC ADVISERS									
Current authorizations:									
Salaries and expenses.....	603	395	390	21	414	382	405	414	389
NATIONAL SECURITY COUNCIL									
Current authorizations:									
Salaries and expenses.....	603	792	779	38	830	746	823	829	747
OFFICE OF CIVIL AND DEFENSE MOBILIZATION									
Current authorizations:									
Salaries and expenses.....	520	29,535	24,700	646	30,500	28,346	24,500	29,000	23,000
Civil defense and defense mobilization functions of Federal agencies.....	520		6,250	317	8,700		5,250	8,300	7,000
Federal contributions.....	520	10,000	16,000	-----	22,000	4,923	7,370	20,500	13,000
Emergency supplies and equipment.....	520	6,950	9,175	-----	36,000	9,145	8,000	15,100	7,000
Research and development.....	520	4,000	4,000	-----	4,500	3,396	4,000	6,000	2,000
Construction of facilities.....	520	2,400	-----	-----	2,500	15	780	2,000	500
Public enterprise funds:									
Civil defense procurement fund.....	520					-70	100	100	-----
Total, Office of Civil and Defense Mobilization.....		52,885	60,125	963	104,200	45,755	50,000	81,000	52,500
PRESIDENT'S ADVISORY COMMITTEE ON GOVERNMENT ORGANIZATION									
Current authorizations:									
Salaries and expenses.....	603	58	50	-----		37	54	-----	-----
MISCELLANEOUS									
Intragovernmental funds:									
Career Executive Board: Advances and reimbursements.....	603					3			
Total new obligational authority and budget expenditures.....		63,140	70,997	1,308	115,647	55,604	61,270	92,459	63,206

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		63,140	70,997	115,647	55,604	60,038	92,383	63,206	
Proposed for later transmission:									
Pay increase supplemental appropriations.....			1,308			1,232	76		
Total new obligational authority and budget expenditures.....		63,140	72,305	115,647	55,604	61,270	92,459	63,206	

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
OFFICE OF CIVIL AND DEFENSE MOBILIZATION										
Civil defense procurement fund.....	520	144	344	535	214	244	435	-70	100	100

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Extraordinary alterations and repairs, Executive Mansion and grounds.....	52	53	37	37	25	25		
Salaries and expenses, Office of Civil and Defense Mobilization.....		5,570		6,059		6,905		8,405
Federal contributions, Office of Civil and Defense Mobilization.....		19,041		20,694		29,324		30,824
Emergency supplies and equipment, Office of Civil and Defense Mobilization.....		12,924		10,332		11,507		32,407
Research and development, Office of Civil and Defense Mobilization.....	1,386	4,841	2,674	5,445		5,445		3,945
Construction of facilities, Office of Civil and Defense Mobilization.....			2,295	2,385	102	1,605		2,105
Other.....		640		773		2,050		2,463
Subtotal.....	1,438	43,069	5,006	45,725	127	56,861		80,149
Balances of anticipated pay increase supplementals included above.....						-76		
Total, appropriations.....	1,438	43,069	5,006	45,725	127	56,785		80,149
Revolving and management funds:								
Civil defense procurement fund, Office of Civil and Defense Mobilization.....	1,281	1,340	1,276	1,410	1,179	1,310	980	1,210
Advances and reimbursements, Career Executive Board.....		3						
Total, revolving and management funds.....	1,281	1,343	1,276	1,410	1,179	1,310	980	1,210
Proposed for later transmission:								
Anticipated pay increase supplemental appropriations.....						76		
Total, Executive Office of the President.....	2,719	44,411	6,282	47,136	1,306	58,171	980	81,359

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
New obligational authority	63,140	72,305	115,647
Unobligated balances brought forward, start of year.....	2,719	6,282	1,306
Unobligated balances lapsing (-).....	-827		
Unobligated balances carried forward, end of year (-).....	-6,282	-1,306	-980
Obligations incurred, net	58,752	77,280	115,973
Obligated balances brought forward, start of year.....	41,692	40,854	56,865
Adjustments of obligated balances in expired accounts.....	-3,985		
Obligated balances carried forward, end of year (-).....	-40,854	-56,865	-80,379
Budget expenditures	55,604	61,270	92,459

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Commerce, housing, and space technology:						
520 Civil and defense mobilization.....	52,885	61,088	104,200	45,755	50,000	81,000
General government:						
603 Executive direction and management.....	10,256	11,217	11,447	9,850	11,270	11,459
Total, Executive Office of the President	63,140	72,305	115,647	55,604	61,270	92,459

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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Compensation of the President (total obligations) (object class 11).....	150	150	150
Financing:			
New obligational authority (appropriation)....	150	150	150

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; newspapers, periodicals, teletype news service, and travel, and official entertainment expenses of the President, to be accounted for solely on his certificate; **[\$2,398,500] \$2,495,000.** (*General Government Matters Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations).....	2,221	2,498	2,495
Financing:			
New obligational authority.....	2,221	2,498	2,495
New obligational authority:			
Appropriation.....	2,221	2,398	2,495
Proposed transfer for pay increases from "Special projects".....		100	

These funds provide the President with staff assistance and provide administrative services for the White House Office.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,693	1,919	1,929
Positions other than permanent.....	99	108	105
Other personnel compensation.....	113	78	78
Total personnel compensation.....	1,906	2,105	2,112
12 Personnel benefits.....	118	127	127
21 Travel and transportation of persons.....	13	25	25
Travel expense of the President.....	40	40	40
23 Rent, communications, and utilities.....	59	69	69
24 Printing and reproduction.....	39	50	50
26 Supplies and materials.....	44	48	48
31 Equipment.....	3	35	25
Total obligations.....	2,221	2,498	2,495

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	268	272	272
Full-time equivalent of other positions.....	8	7	7
Average number of all employees.....	275	274	274
Number of employees at end of year.....	279	278	278
Average GS grade.....	7.1	7.4	7.3
Average GS salary.....	\$5,880	\$6,446	\$6,512

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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations).....	1,301	1,400	1,500
Financing:			
Unobligated balance lapsing.....	199		
New obligational authority.....	1,500	1,400	1,500
New obligational authority:			
Appropriation.....	1,500	1,500	1,500
Proposed transfer for pay increases to "Salaries and expenses," the White House Office.....		-100	

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	831	841	941
12 Personnel benefits.....	76	92	92
21 Travel and transportation of persons.....	149	178	178
23 Rent, communications, and utilities.....	25	29	29
24 Printing and reproduction.....	5	17	17
25 Other services.....	148	150	150
26 Supplies and materials.....	27	42	42
31 Equipment.....	40	50	50
Total obligations.....	1,301	1,400	1,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	120	110	120
Number of employees at end of year.....	166	160	160

EXECUTIVE MANSION AND GROUNDS

Current authorizations:

EXECUTIVE MANSION AND GROUNDS

For the care, maintenance, repair and alteration, refurbishing, 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, **[\$505,000]** \$528,000. (3 U.S.C. 109-110; D.C. Code 8-108, 1951 edition; General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Care, maintenance, and operation of the Executive Mansion and surrounding grounds.....	475	505	528
2. Reimbursable obligations: Staff services.....	5		
Total obligations.....	480	505	528
Financing:			
Advances and reimbursements from other accounts.....	-5		
New obligational authority (appropriation)	475	505	528

These funds provide for the care, maintenance, and operation of the Executive Mansion and the surrounding grounds.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	326	325	348
Positions other than permanent.....	17	25	25
Other personnel compensation.....	28	25	24
Total personnel compensation.....	371	375	396
12 Personnel benefits.....	22	27	28
23 Rent, communications, and utilities.....	38	37	37
25 Other services.....	19	15	15
26 Supplies and materials.....	30	46	46
31 Equipment.....		5	5
Total obligations.....	480	505	528

Personnel Summary

Total number of permanent positions.....	72	72	72
Full-time equivalent of other positions.....	6	6	6
Average number of all employees.....	74	71	76
Number of employees at end of year.....	70	72	72
Average salary of ungraded positions.....	\$4,586	\$4,889	\$4,890

[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.] (General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Alterations, repairs, furniture, and furnishings of the Executive Mansion and grounds (total obligations).....	15	112	25

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-52	-37	-25
Unobligated balance carried forward.....	37	25	
New obligational authority (appropriation)		100	

Funds available in this account are used for extraordinary alterations, repairs, furniture, and furnishings of the Executive Mansion and grounds.

Object classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	3	70	15
26 Supplies and materials.....	11	25	5
31 Equipment.....	1	17	5
Total obligations.....	15	112	25

BUREAU OF THE BUDGET

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Bureau of the Budget, including [not to exceed \$115,000 for expenses of travel, 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]** \$75 per diem for individuals, **[\$5,000,000]** \$5,530,000. (31 U.S.C. 1-24, 665, 847-849, 852; 5 U.S.C. 46e, 133i, 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Office of budget review.....	435	562	593
2. Office of financial management.....	254	267	278
3. Office of legislative reference.....	200	219	220
4. Office of management and organization.....	453	629	664
5. Office of statistical standards.....	416	431	453
6. Program divisions:			
(a) Commerce and finance.....	410	458	477
(b) International.....	334	357	362
(c) Labor and welfare.....	441	489	517
(d) Military.....	515	606	659
(e) Resources and civil works.....	512	527	555
7. Executive direction and administration.....	678	741	752
Total program costs.....	4,648	5,286	5,530
8. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1		
Total obligations.....	4,649	5,286	5,530
Financing:			
Unobligated balance lapsing.....	16		
New obligational authority (appropriation)	4,665	5,286	5,530
New obligational authority:			
Appropriation.....	4,665	5,000	5,530
Proposed supplemental due to pay increases.....		286	

BUREAU OF THE BUDGET—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities.

1. *Office of budget review.*—Budget instructions and procedures are developed, review of agency estimates is coordinated, and the budget document is prepared.

2. *Office of financial management.*—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.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	22	27	27	27
Advances (payments for goods and services on order not yet received).....	7	4	4	4
Total selected resources at end of year..	29	31	31	31
Selected resources at start of year (—).....		—29	—31	—31
Adjustment of selected resources reported at start of year.....		—1	—	—
Obligations incurred for costs of other years, net.....		1	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,902	4,429	4,677
Positions other than permanent.....	21	37	37
Other personnel compensation.....	51	41	24
Total personnel compensation.....	3,974	4,508	4,738
12 Personnel benefits.....	270	333	352

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	105	115	115
Payment to interagency motor pools.....	3	3	3
22 Transportation of things.....	1	4	4
23 Rent, communications, and utilities.....	58	64	66
24 Printing and reproduction.....	133	135	135
25 Other services.....	9	9	10
Services of other agencies.....	31	30	31
26 Supplies and materials.....	35	34	36
31 Equipment.....	30	52	40
Total obligations.....	4,649	5,286	5,530

Personnel Summary

Total number of permanent positions.....	432	455	470
Full-time equivalent of other positions.....	4	5	5
Average number of all employees.....	425	444	462
Number of employees at end of year.....	430	443	460
Average GS grade.....	11.0	11.2	11.3
Average GS salary.....	\$9,220	\$10,102	\$10,212

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
 "Expenses of management improvement," funds appropriated to the President.
 "Transitional grants to Alaska," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Office of budget review.....		3	3
2. Office of management and organization.....	8	—	—
3. Program divisions:			
(a) International.....	2	3	3
(b) Labor and welfare.....	2	—	—
4. Executive direction and administration.....	13	14	14
Total obligations.....	25	20	20
Financing:			
Advances and reimbursements from other accounts.....	25	20	20

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	17	20	20
Other personnel compensation.....	8	—	—
Total obligations.....	25	20	20

Personnel Summary

Total number of permanent positions.....	3	2	2
Average number of all employees.....	3	2	2
Number of employees at end of year.....	3	2	2
Average GS grade.....	11.0	11.2	11.3
Average GS salary.....	\$9,220	\$10,102	\$10,212

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 \$10,000 for expenses of travel [; and press clippings (not exceeding \$300); \$390,000], \$414,000. (General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Economic analysis (total program costs).....	385	411	414
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-1		
Total obligations.....	384	411	414
Financing:			
Unobligated balance lapsing.....	11		
New obligational authority.....	395	411	414
New obligational authority:			
Appropriation.....	395	390	414
Proposed supplemental due to pay increases.....		21	

1. *Economic analysis.*—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.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2 thousand; 1960, \$1 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	305	325	326
Positions other than permanent.....	8	10	10
Other personnel compensation.....	13	14	13
Total personnel compensation.....	326	349	349
12 Personnel benefits.....	21	22	22
21 Travel and transportation of persons.....	4	5	8
23 Rent, communications, and utilities.....	5	5	5
24 Printing and reproduction.....	11	12	12
25 Other services.....	1	1	1
Services of other agencies.....	12	13	13
26 Supplies and materials.....	2	2	2
31 Equipment.....	2	2	2
Total obligations.....	384	411	414

Personnel Summary

Total number of permanent positions.....	31	31	31
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	31	31	31
Number of employees at end of year.....	32	32	32

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average GS grade.....	6.8	6.9	6.9
Average GS salary.....	\$5,397	\$5,949	\$6,038
Average salary of ungraded positions.....	\$13,291	\$14,153	\$14,153

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; purchase of one passenger motor vehicle;] and acceptance and utilization of voluntary and uncompensated services [; \$779,000], \$830,000. (50 U.S.C. 402; General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Policy coordination.....	278	303	307
2. Operations coordination.....	474	515	523
Total program costs.....	752	818	830
3. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....			-1
Total obligations.....	752	817	830
Financing:			
Unobligated balance lapsing.....	40		
New obligational authority.....	792	817	830
New obligational authority:			
Appropriation.....	792	779	830
Proposed supplemental due to pay increases.....		38	

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, Vice President, Secretary of State, Secretary of Defense, 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, within the structure of the Council, 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 for Political Affairs, Deputy Secretary of Defense, Director of Central Intelligence, Director of the United States Information Agency, 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.

NATIONAL SECURITY COUNCIL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand, and 1960, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	513	689	705
Positions other than permanent.....		1	1
Other personnel compensation.....	132	5	3
Total personnel compensation.....	645	695	709
12 Personnel benefits.....	38	51	52
21 Travel and transportation of persons.....	9	9	9
23 Rent, communications, and utilities.....	10	10	10
24 Printing and reproduction.....	2	2	2
25 Other services.....	2	1	1
Services of other agencies.....	36	38	38
26 Supplies and materials.....	8	8	8
31 Equipment.....	2	4	1
Total costs.....	752	818	830
Costs financed from obligations of other years, net (—).....		—1	
Total obligations.....	752	817	830

Personnel Summary

Total number of permanent positions.....	76	75	74
Average number of all employees.....	63	73	73
Number of employees at end of year.....	64	74	74
Average GS grade.....	10.3	10.4	10.4
Average GS salary.....	\$8,843	\$9,461	\$9,589

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Policy coordination (total costs—obligations).....	18	12	
Financing:			
Advances and reimbursements from other accounts.....	18	12	

Object Classification (in thousands of dollars)

11 Personnel compensation: Permanent posi- tions.....	17	11	
12 Personnel benefits.....	1	1	
Total obligations.....	18	12	

Personnel Summary

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.....	18.0	18.0	
Average GS salary.....	\$17,514	\$18,512	

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 preparedness 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 1962, major emphasis will continue to 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.

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 and defense mobilization functions; not to exceed \$2,500; \$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; and not to exceed \$900,000 for expenses of travel [; \$24,700,000], excluding rental of passenger motor vehicles; \$30,500,000: Provided, That contracts for not to exceed two 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, and one such contract, for the services of an expert or consultant for telecommunications, may provide for a per diem rate of not to exceed \$75. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction and policy planning.....	921	993	996
2. Research and development.....	781	763	730
3. Emergency planning.....	2,058	2,340	2,413
4. Warning and communications.....	3,394	3,873	4,335
5. Training, education, and public affairs.....	4,431	4,368	5,668
6. Resources and production planning.....	1,874	2,121	2,126
7. Field operations.....	6,738	7,615	7,810
8. Management services and stockpile oper- ations.....	3,680	3,641	3,770
Total program costs.....	23,877	25,714	27,848
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—713	—623	
Obligations incurred for costs of other years, net.....			2,652
Total obligations.....	23,164	25,091	30,500
Financing:			
Comparative transfers to other accounts.....	6,076	255	
Unobligated balance lapsing.....	295		
New obligational authority.....	29,535	25,346	30,500

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	29,535	24,700	30,500
Proposed supplemental due to pay increases.....		646	

1. *Executive direction and policy planning.*—This activity provides the top level direction of nonmilitary programs for the defense of the United States. It also includes the development, coordination, and evaluation of civil and defense mobilization assumptions, policies, and programs for Federal, State, local, and individual implementation and participation.

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. 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.*—The Office of Civil and Defense Mobilization national warning system is being revised to make it compatible with the NORAD structure and techniques of operation. The warning system was expanded in 1961 to 447 key warning points. In 1962 it is proposed to add 53 warning points, making a total of 500. The system will then provide direct attack warning to all cities of 20,000 or more population, and those cities of 10,000 to 20,000 population which are adjacent to important civil and military targets. This activity also includes the national communications system for postattack emergency coordination of emergency government down to State level. Strengthening of the communications network will be continued in 1962 through installation of radio backup facilities at additional State control sites, providing a minimum emergency communications radio link to and between the eight Office of Civil and Defense Mobilization regional offices, the national and operational headquarters, and the States.

5. *Training, education, and public affairs.*—This activity provides training methods and materials to State and local organizations, and dissemination of promotional matter furthering civil defense preparedness. The 1962 request provides for further expansion of the adult education program to teach the principles of individual, family, and community protection, utilizing the existing adult education network in the States. By the end of 1962, it is estimated that 445,000 adults will have received training through the resources of this program.

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 1962, work will continue in exploring survival requirements, postattack, 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; courses in civil defense subjects including instructor training are given at four training installations; and specialized activities in connection with attack warning, damage assessment, and emergency operations are conducted at various headquarters throughout the country.

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. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	3,790	2,713	2,103	4,803
Advances (payment for goods and services on order not yet received).....	88	74	64	57
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-1,445	-1,443	-1,446	-1,487
Total selected resources at end of year.....	2,433	1,344	721	3,373
Selected resources at start of year (—).....		-2,433	-1,344	-721
Adjustment of selected resources reported at start of year.....		376		
Costs financed from obligations of other years, net (—).....		-713	-623	
Obligations incurred for costs of other years, net.....				2,652

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
11 Personnel compensation:			
Permanent positions.....	12,741	14,039	14,178
Positions other than permanent.....	374	436	418
Other personnel compensation.....	323	291	222
Total personnel compensation.....	13,438	14,766	14,818
12 Personnel benefits.....	859	1,025	1,048
21 Travel and transportation of persons.....	996	954	977
22 Transportation of things.....	318	267	294
23 Rent, communications, and utilities.....	2,395	2,834	3,524
24 Printing and reproduction.....	1,381	1,201	1,806
25 Other services.....	691	1,163	2,205
Services of other agencies.....	869	835	949
26 Supplies and materials.....	309	309	394
31 Equipment.....	283	192	492
41 Grants, subsidies, and contributions.....	44	180	225
Unvouchered.....	6	3	6
Total, Office of Civil and Defense Mobilization.....	21,589	23,729	26,738

**OFFICE OF CIVIL AND DEFENSE MOBILIZATION—
Continued**
Current authorizations—Continued
SALARIES AND EXPENSES—Continued
Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	194	177	136
Other personnel compensation.....	1		
Total personnel compensation.....	195	177	136
12 Personnel benefits.....	33	25	23
21 Travel and transportation of persons.....	8	13	16
22 Transportation of things.....	1	11	1
23 Rent, communications, and utilities.....	2	2	2
24 Printing and reproduction.....		1	1
25 Other services.....	1,041	1,132	3,581
26 Supplies and materials.....	1	1	2
31 Equipment.....	294		
Total, allocation accounts.....	1,575	1,362	3,762
Total obligations.....	23,164	25,091	30,500
Obligations are distributed as follows:			
Office of Civil and Defense Mobilization.....	21,589	23,729	26,738
Department of Health, Education, and Welfare.....	1,076	1,362	3,762
Army.....	298		
General Services Administration.....	201		

Personnel Summary

OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
Total number of permanent positions.....	1,653	1,650	1,650
Full-time equivalent of other positions.....	78	85	79
Average number of all employees.....	1,705	1,716	1,702
Number of employees at end of year.....	1,817	1,800	1,800
Average GS grade.....	9.6	9.7	9.7
Average GS salary.....	\$8,075	\$8,829	\$8,960
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	21	17	14
Average number of all employees.....	17	15	13
Number of employees at end of year.....	16	17	14
Average GS grade.....	10.4	10.4	10.4
Average GS salary.....	\$8,370	\$9,006	\$9,006

**CIVIL DEFENSE AND DEFENSE MOBILIZATION FUNCTIONS OF
FEDERAL AGENCIES**

For expenses necessary to enable other Federal agencies to perform such civil defense and defense mobilization functions as may be designated by the Office of Civil and Defense Mobilization, including payments by the Department of Labor to State employment security agencies for the full cost of administration of defense manpower mobilization activities, **[\$6,250,000]** \$8,700,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Agriculture.....	227	342	440
2. Commerce.....	2,261	2,687	2,780
3. Federal Aviation Agency.....	24	200	301

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Federal Communications Commission.....	14	17	16
5. General Services Administration.....	565	38	
6. Health, Education, and Welfare.....	1,237	1,957	2,844
7. Housing and Home Finance Agency.....	140	160	300
8. Interior.....	334	440	512
9. Interstate Commerce Commission.....	20	70	175
10. Labor.....	764	1,068	1,275
11. Post Office Department.....	16	25	25
12. Small Business Administration.....	14	17	16
13. Veterans Administration.....	15	17	17
Total program costs.....	5,631	7,038	8,701
14. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—216	—1
Obligations incurred for costs of other years, net.....	445		
Total obligations.....	6,076	6,822	8,700
Financing:			
Comparative transfers from (—) other accounts.....	—6,076	—255	
New obligational authority.....		6,567	8,700
New obligational authority:			
Appropriation.....		6,250	8,700
Proposed supplemental due to pay increases.....		317	

1. *Agriculture.*—Agriculture's nationwide network of local representatives has been assigned responsibility for radiological monitoring on a widely dispersed basis. The 1962 program will be devoted to radiological defense training for this purpose, and continuation of food management planning and liaison responsibilities.

2. *Commerce.*—This Department will continue to plan for the mobilization of industrial production and the establishment and decentralization of controls; plan for the defense, emergency utilization, and control of U.S. ports; develop the defense air transportation program; provide specialized weather data including radiological fallout forecasts; plan for the integration of field installations in the Federal fixed monitoring network; and compile statistical resources data needed to assess damage from attack under various conditions.

3. *Federal Aviation Agency.*—This Agency will continue the planning and preparedness measures initiated in 1961 for the development of operational plans, technical standards, and procedures for improving the emergency readiness of the Nation's airlift capability and its supporting elements.

5. *General Services Administration.*—The emergency communications system connecting the Federal Government relocation sites in the field was terminated at the end of 1960. Certain other civil defense and defense mobilization activities, principally liaison in nature, will be performed without cost to this appropriation.

6. *Health, Education, and Welfare.*—Responsibilities have been assigned to this Department to improve the Nation's civil defense readiness in areas of emergency health and welfare. This involves development of organizational plans and training of medical personnel at the local level, and the preparation and dissemination of welfare guidance materials to the States and communities to stimulate emergency welfare planning and preparation.

Further, the supervision and management of the Nation's medical stockpile has been assigned to the Department by the Office of Civil and Defense Mobilization.

7. *Housing and Home Finance Agency.*—This Agency is charged with the responsibility of providing housing for the population under emergency conditions. The increase in 1962 results principally from the continuation on a full-year basis the civil defense liaison specialist in each of the Agency's eight regional offices.

8. *Interior.*—The Department's responsibilities include the mobilization planning required for strategic minerals and to marshal the fuel and power resources of the Nation to cope with an emergency. The Department will also provide radiological monitoring stations at dispersed locations throughout the United States.

9. *Interstate Commerce Commission.*—The Commission is assigned the responsibility for guidance to the domestic surface transportation industry on disaster preparedness. This covers the Nation's railroads, motor carriers, and inland waterway transportation systems.

10. *Labor.*—Funds made available in 1961 permitted this Department to plan to meet manpower problems at all levels of government in a postattack period. The 1962 budget will permit continuation and expansion of programs involving emergency management of the labor force, including manpower planning in various State employment security agencies.

14. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$445 thousand; 1961, \$229 thousand; 1962, \$228 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	3,132	4,348	5,536
Positions other than permanent.....	65	124	132
Other personnel compensation.....	32	56	27
Total personnel compensation.....	3,229	4,528	5,695
12 Personnel benefits.....	237	348	462
21 Travel and transportation of persons.....	323	495	754
22 Transportation of things.....	58	45	109
23 Rent, communications, and utilities.....	47	57	86
24 Printing and reproduction.....	91	97	127
25 Other services.....	972	224	283
Services of other agencies.....	356	240	252
26 Supplies and materials.....	85	70	99
31 Equipment.....	167	38	51
41 Grants, subsidies, and contributions.....	511	680	782
Total obligations.....	6,076	6,822	8,700

Obligations are distributed as follows:

Department of Agriculture.....	271	298	440
Department of Commerce.....	2,362	2,586	2,780
Federal Aviation Agency.....	68	158	300
Federal Communications Commission.....	15	16	16
General Services Administration.....	565	38	-----
Department of Health, Education, and Welfare.....	1,461	1,934	2,844
Housing and Home Finance Agency.....	140	160	300
Department of the Interior.....	365	436	512
Interstate Commerce Commission.....	20	70	175
Department of Labor.....	764	1,068	1,275
Post Office Department.....	16	25	25
Small Business Administration.....	14	16	16
Veterans Administration.....	15	17	17

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	339	364	518
Full-time equivalent of other positions.....	13	19	20
Average number of all employees.....	401	498	636
Number of employees at end of year.....	347	364	523
Average GS grade.....	10.2	10.1	10.2
Average GS salary.....	\$8,173	\$8,709	\$8,644

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, **[\$16,000,000]** *\$22,000,000*, of which not to exceed **[\$6,000,000]** shall become available on January 1, 1961, *\$12,000,000 shall be available for allocation to the States pursuant to section 205 of said Act. (Independent Offices Appropriation Act, 1961.)*

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Attack warning.....	1,170	791	883
2. Communications.....	4,927	4,466	4,278
3. Public safety devices.....	342	204	303
4. Medical supplies and equipment.....	613	178	182
5. Education services.....	478	530	504
6. Mass-care equipment.....	29	100	78
7. Engineering supplies and equipment.....	669	894	679
8. Construction and general equipment.....	411	2,333	3,307
9. Chemical, biological, and radiological defense equipment.....	3	54	88
10. Shelter surveys.....	-----	-----	98
11. Personnel and administrative expenses.....	-----	5,700	12,100
Total program costs.....	8,642	15,250	22,500
12. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-----	-----	—500
Obligations incurred for costs of other years, net.....	1,302	750	-----
Total obligations (object class 41).....	9,944	16,000	22,000
Financing:			
Unobligated balance lapsing.....	56	-----	-----
New obligational authority (appropriation).....	10,000	16,000	22,000

1-10. *Materials and facilities.*—Through 1960 this program was limited to matching funds for materials and facilities. All States participated in this program and a total of \$97.5 million has been contributed by the Federal Government, of which 53% has been used for warning and communications equipment and 15% for medical supplies and equipment.

11. *Personnel and administrative expenses.*—This new activity for matching the personnel and administrative expenses of State and local civil defense organizations results from legislation enacted by the 85th Congress making civil defense the joint responsibility of all levels of government. Sufficient funds were appropriated in 1961 to provide for an average cost of \$1 million per

**OFFICE OF CIVIL AND DEFENSE MOBILIZATION—
Continued**
Current authorizations—Continued
FEDERAL CONTRIBUTIONS—Continued

month beginning January 1961. This budget requests funds to extend this assistance through 1962 at a continuing rate of \$1 million per month.

12. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	18,922	20,319	21,589	22,089

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order—Con. Advances (payments for goods and services on order not yet received).....	10,483	7,020	6,500	5,500
Total selected resources at end of year.....	29,405	27,339	28,089	27,589
Selected resources at start of year (—).....	—29,405	—27,339	—27,339	—28,089
Adjustment of selected resources reported at start of year.....	—	3,368	—	—
Costs financed from obligations of other years, net (—).....	—	—	—	—500
Obligations incurred for costs of other years, net.....	—	1,302	750	—

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, [\$9,175,000] \$36,000,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	Costs			Analysis of 1962 financing		
	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962
Program by activities:						
1. Medical supplies and equipment:						
(a) Emergency hospitals.....	116	4	2,928	—	21,350	24,278
(b) Medical and surgical.....	3	—	—	—	—	—
(c) Blood and blood derivatives.....	1	—	—	—	—	—
2. Chemical, biological, and radiological defense equipment.....	1,310	3,496	6,193	5,320	5,242	6,115
3. Stockpile management, existing stocks.....	7,814	8,513	4,852	1,542	1,575	4,885
4. Stockpile management, new procurement.....	—	—	555	—	167	722
Total program costs.....	9,244	12,013	14,528	6,862	28,334	36,000
5. Relation of costs to obligations:						
Costs financed from obligations of other years (—).....	—2,486	—2,838	—	—	—	—
Obligations incurred for costs of other years.....	—	—	21,472	—	—	—
Total obligations.....	6,758	9,175	36,000	—	—	—
Financing:						
Unobligated balance lapsing.....	192	—	—	—	—	—
New obligational authority (appropriation).....	6,950	9,175	36,000			

1. *Medical supplies and equipment.*—Supplies and equipment are procured in quantities considered necessary to supplement commercial inventories expected to survive the blast and radiation effects of an attack. These are stockpiled in strategically located points of storage throughout the Nation. Planned procurement for 1962 will provide an additional 1,000 civil defense emergency hospitals, and medical supplies required to extend the operational capabilities of these hospitals, as well as those already pre-positioned throughout the Nation.

2. *Chemical, biological, and radiological defense equipment.*—Equipment is procured and granted to the States and localities for training and operational purposes. The main objective of this program is to equip a national chemical, biological, and radiological monitoring system consisting of 100,000 fixed monitoring stations manned by 500,000 monitors. (a) *Chemical and biological.*—Protec-

tive devices and detector kits will be procured in 1962 in sufficient quantities to equip an additional 25,000 monitors. (b) *Radiological.*—Detection instruments to be procured in 1962 will equip approximately 48,700 monitoring stations with one monitoring set each.

3-4. *Stockpile management.*—The stockpile is maintained in warehouses operated by other Federal agencies in strategically located points of storage throughout the Nation so as to best afford ample transportation facilities, security, strategic coverage, and geographical distribution. Due to the particular characteristics of the items stockpiled, certain maintenance, storage, and testing procedures must be employed in order to insure the serviceability of each during their normal storage life.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Advances (payments for goods and services not yet received).....	53	32	30	30
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	12,339	9,668	6,832	28,304
Total selected resources at end of year	12,392	9,700	6,862	28,334
Selected resources at start of year (—).....	—12,392	—9,700	—6,862	
Adjustment of selected resources reported at start of year.....		206		
Costs financed from obligations of other years, net (—).....	—2,486	—2,838		
Obligations incurred for costs of other years, net.....				21,472

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
22 Transportation of things.....	494	644	765
25 Other services.....	124	188	260
Services performed by other agencies.....	2,601	3,198	3,155
26 Supplies and materials.....	663	1,185	1,693
31 Equipment.....	2,603	3,703	29,877
Total, Office of Civil and Defense Mobilization	6,485	8,918	35,750
ALLOCATION TO VETERANS ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	215	215	209
Other personnel compensation.....	4	3	2
Total personnel compensation	219	218	211
12 Personnel benefits.....	15	17	17
23 Rent, communications, and utilities.....	5	5	5
25 Other services.....	14	7	7
26 Supplies and materials.....	20	10	10
Total, Veterans Administration	273	257	250
Total obligations	6,758	9,175	36,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions.....	45	43	42
Average number of all employees.....	43	41	40
Number of employees at end of year.....	43	41	40
Average GS grade.....	4.0	4.0	4.0
Average GS salary.....	\$4,512	\$4,907	\$4,936

RESEARCH AND DEVELOPMENT

For expenses, not otherwise provided for, necessary for studies and research to develop measures and plans for *civil defense and defense mobilization, including evacuation, shelter, and the protection of life and property, as authorized by section 201(d) of the Federal Civil Defense Act of 1950, as amended, and other law, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),* [\$4,000,000] \$4,500,000, to remain available until expended [of which not to exceed \$2,500,000 shall be available to complete the two-year program of fallout shelter prototype construction]. (*Independent Offices Appropriation Act, 1961*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Fallout shelter prototypes, surveys, and shelter design grants:			
(a) Prototypes.....	42	3,272	700
(b) Sampling surveys of shelter availability.....	10	1,025	900
(c) Shelter design grants.....		150	135
2. Research:			
(a) Shelter research, engineering, and testing.....	959	588	620
(b) Habitability and shielding studies.....			380
(c) Radiological defense.....	1,052	940	570
(d) Operations research.....	385	472	620
(e) Economics research.....	88	333	610
(f) Health and medical.....	187	92	40
(g) Warning and communications.....	236	152	190
(h) Social and other research.....	256	462	365
3. Survival planning.....	45		
4. Adjustment of prior year costs.....	—290		
Total program costs	2,970	7,486	5,130
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—812	—630
Obligations incurred for costs of other years, net.....	218		
Total obligations	3,188	6,674	4,500
Financing:			
Unobligated balance brought forward.....	—1,386	—2,674	
Recovery of prior year obligations.....	—476		
Unobligated balance carried forward.....	2,674		
New obligational authority (appropriation)	4,000	4,000	4,500

1. *Fallout shelter prototypes, surveys, and shelter design grants.*—Under the national shelter policy, Federal example and leadership is recognized as an indispensable element in stimulating State and local governments, private industry, and the individual citizen to build shelters for their protection. To set the example, Federal prototype shelters of various types are being constructed in different climatic and population areas and sampling surveys are being conducted to determine and identify the shelter potential of existing structures for protecting the population during an emergency. Also, a program has been initiated making grants to schools of architecture and engineering for development of curricula and training of students in new concepts of shelter design and contracting with architect-engineering firms to develop special designs for schools, churches, and apartment and office buildings.

2. *Research.*—This activity finances 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. The research in 1962 covers the broad areas of shelter research (exclusive of construction), engineering and testing; radiological defense; operations research; economics research; social research; warning and communications research; and other research.

3. *Survival planning.*—In 1960 survival studies were terminated in New Mexico and South Carolina. This completed the survival planning program initiated in 1956.

OFFICE OF CIVIL AND DEFENSE MOBILIZATION—Continued

Current authorizations—Continued

RESEARCH AND DEVELOPMENT—Continued

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	2,403	2,478	1,830	1,430
Advances (payments for goods and services on order not yet received).....	727	394	230	-----
Total selected resources at end of year	3,130	2,872	2,060	1,430
Selected resources at start of year (—).....	-----	-----	-----	-----
Adjustment of selected resources reported at start of year.....	-----	476	-----	-----
Costs financed from obligations of other years, net (—).....	-----	-----	-----	-----
Obligations incurred for costs of other years, net.....	-----	218	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
25 Other contractual services.....	2,155	4,773	3,145
Services performed by other agencies.....	754	859	1,340
Total, Office of Civil and Defense Mobilization	2,909	5,632	4,485
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	26	33	-----
Positions other than permanent.....	25	2	-----
Total personnel compensation	51	35	-----

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS—Continued			
12 Personnel benefits.....	4	5	-----
21 Travel and transportation of persons.....	7	6	-----
22 Transportation of things.....	1	2	-----
23 Rent, communications, and utilities.....	-----	4	-----
24 Printing and reproduction.....	-----	16	-----
25 Other services.....	209	971	15
26 Supplies and materials.....	3	1	-----
31 Equipment.....	4	2	-----
Total, allocation accounts	279	1,042	15
Total obligations	3,188	6,674	4,500

Obligations are distributed as follows:	1960 actual	1961 estimate	1962 estimate
Office of Civil and Defense Mobilization.....	2,909	5,632	4,485
Department of Defense.....	114	1	15
General Services Administration.....	18	952	-----
Department of Health, Education, and Welfare.....	147	89	-----

Personnel Summary

ALLOCATION ACCOUNTS	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	5	6	-----
Full-time equivalent of other positions.....	3	-----	-----
Average number of all employees.....	7	4	-----
Number of employees at end of year.....	4	0	-----
Average GS grade.....	9.0	9.8	-----
Average GS salary.....	\$7,571	\$8,678	-----

CONSTRUCTION OF FACILITIES

For expenses necessary for the design, construction, and equipment of protected regional facilities for the Office of Civil and Defense Mobilization, \$2,500,000, to remain available until expended. (50 U.S.C. App. 2251-2297.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	Appropriation required to complete
Program by activities:									
1. Construction of facilities:									
(a) Design, supervision, etc.....	725	-----	15	93	160	92	7	75	450
(b) Construction.....	19,175	-----	-----	707	2,240	1,493	1,678	2,425	14,550
Total program costs	19,900	-----	15	800	2,400	1,585	1,685	2,500	15,000
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	-----	-----	90	1,393	202	-----	-----	-----	-----
Total obligations	-----	-----	105	2,193	2,602	-----	-----	-----	-----
Financing:									
Unobligated balance brought forward.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
Unobligated balance carried forward.....	-----	-----	2,295	102	-----	-----	-----	-----	-----
New obligational authority (appropriation)	-----	-----	2,400	-----	2,500	-----	-----	-----	-----

1. *Construction of facilities.*—In 1960, funds were appropriated for construction of an Office of Civil and Defense Mobilization regional underground control center at Denton, Tex. In 1962, funds are requested for construction of an additional Office of Civil and Defense Mobilization regional center. Each of these centers will operate on a day-to-day basis with some 200 employees. In an emergency, each staff can be expanded to approximately 500 employees.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$90 thousand; 1961, \$1,483 thousand; 1962, \$1,685 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....		1	4
24 Printing and reproduction.....		7	7
25 Other services.....	105	35	101
32 Lands and structures.....		2,150	2,490
Total obligations.....	105	2,193	2,602

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 Office of Civil and Defense Mobilization. (*Independent Offices Appropriation Act, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows: "Disaster relief," funds appropriated to the President. "Military construction, Army."

Public enterprise funds:

CIVIL DEFENSE PROCUREMENT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Medical supplies and equipment.....	133	184	365
Control center equipment.....	8	15	30
Engineering equipment.....	3	45	40
Total program costs.....	144	244	435
Relation of costs to obligations: Obligations incurred for costs of other years, net.....	13	96	200
Total obligations.....	157	340	635
Financing:			
Amounts becoming available:			
Advances and reimbursements from—			
"Federal contributions".....	72	122	217
Non-Federal sources (States).....	72	122	218
Recovery of prior year obligations.....	8		
Total amounts becoming available.....	152	244	435
Unobligated balance brought forward.....	1,281	1,276	1,180
Total amounts available.....	1,433	1,520	1,615
Unobligated balance carried forward.....	-1,276	-1,180	-980
Financing applied to program.....	157	340	635

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). Increased procurement of radiological instruments for the State and local governments is anticipated during 1961 and 1962, thus accounting for the increased obligations projected for these years.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$219 thousand; 1959 (adjusted), \$211 thousand; 1960, \$224 thousand; 1961, \$320 thousand; 1962, \$520 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Procurement of civil defense materials.....	144	244	435
Increase in selected working capital.....		100	100
Total gross expenditures.....	144	344	535
Receipts from operations (funds provided):			
Reimbursements from States and from "Federal contributions".....	144	244	435
Decrease in selected working capital.....	70		
Total receipts from operations.....	214	244	435
Budget expenditures.....	-70	100	100

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,410	1,310	1,210
Accounts receivable, net.....	90	190	290
Total assets.....	1,500	1,500	1,500
Government investment:			
Non-interest-bearing capital: Start and end of year.....	1,500	1,500	1,500

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	1,340	1,410	1,310	1,210
Obligated balance, net:				
Unpaid undelivered orders.....	219	224	320	520
Accounts receivable, net (-).....	-160	-90	-190	-290
Total obligated balance.....	59	134	130	230
Unobligated balance.....	1,281	1,276	1,180	980

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	9	20	38
26 Supplies and materials.....	14	31	57
31 Equipment.....	134	289	540
Total obligations.....	157	340	635

**OFFICE OF CIVIL AND DEFENSE MOBILIZATION—
Continued**
Intragovernmental funds:
ADVANCES AND REIMBURSEMENTS
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Fire research.....	25	32	32
2. Health services.....	5	5	5
3. Resources and production planning.....	3	2	2
4. Engineering stockpile activities.....	17	30	
5. Miscellaneous services to other accounts.....	15	25	25
Total obligations.....	65	94	64
Financing:			
Advances and reimbursements from other accounts.....	65	94	64

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	20	24	24
21 Travel and transportation of persons.....	2	2	2
25 Other services.....	43	68	38
Total obligations.....	65	94	64

Personnel Summary

Average number of all employees.....	4	5	5
Number of employees at end of year.....	0	0	0
Average GS grade.....	5.0	4.8	4.8
Average GS salary.....	\$4,165	\$4,510	\$4,576

**【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, \$50,000.】 (General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations).....	40	52	
Financing:			
Advances and reimbursements from other accounts.....		-2	
Unobligated balance lapsing.....	18		
New obligational authority (appropriation)	58	50	

Since 1953, this Committee has advised the President on major organization and management problems and

corrective actions. Funds are available to the Committee for operations until June 30, 1961. By that time the determination will be made as to whether the Committee will be continued.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	30	30	
Positions other than permanent.....	2	6	
Other personnel compensation.....	1	1	
Total personnel compensation.....	33	37	
12 Personnel benefits.....	2	2	
21 Travel and transportation of persons.....	2	4	
23 Rent, communications, and utilities.....		3	
24 Printing and reproduction.....		1	
25 Other services.....	2	3	
26 Supplies and materials.....	1	2	
Total obligations.....	40	52	

Personnel Summary

Total number of permanent positions.....	4	4	
Full time equivalent of other positions.....	1	1	
Average number of all employees.....	5	5	
Number of employees at end of year.....	3	4	
Average GS grade.....	11.0	13.0	
Average GS salary.....	\$9,310	\$12,158	

MISCELLANEOUS
FEDERAL RADIATION COUNCIL
ADVANCES AND REIMBURSEMENTS
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Federal radiation council (total program costs).....		39	53
2. Relation of costs to obligations:			
Selected resources at end of year (unpaid undelivered orders).....		1	3
Selected resources at start of year (-) (unpaid undelivered orders).....			1
Total obligations.....		40	55
Financing:			
Advances and reimbursements from other accounts.....		40	55

The Federal Radiation Council was established by Executive Order 10831 and Public Law 86-373, to advise the President with respect to radiation matters effecting the public health, including guidance for all Federal agencies in the formulation of radiation protection standards. Members of the council are the heads of the agencies most significantly involved with radiation—the Secretaries of Health, Education, and Welfare; Defense; Commerce; and Labor; and the chairman of the Atomic Energy Commission. The council's activities are supported by financial contributions from the member agencies.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		4	6
23 Rent, utilities, and communications.....		1	1
24 Printing and reproduction.....		1	2
25 Other services.....		33	45
26 Supplies and materials.....		1	1
Total obligations.....		40	55

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], in accordance with title II of the Act of September 6, 1960 (74 Stat. 793).

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]: *Provided*, That limitations heretofore established on the cost of volumes of the Lifetime Federal Digest shall not apply to the Modern Federal Practice 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. 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), 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. 209. No part of any appropriation contained in this or any other Act, or of the funds available for expenditure by any individual, corporation, or agency included in this or any other Act, shall be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress. (*General Government Matters Appropriation Act, 1961.*)

FUNDS APPROPRIATED TO THE PRESIDENT

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
DISASTER RELIEF									
Current authorizations:									
Disaster relief.....	521			6,000	1,639	4,000	4,000		
EMERGENCY FUND FOR THE PRESIDENT, NATIONAL DEFENSE									
Current authorizations:									
Emergency fund for the President, national defense.....	603	1,000	1,000	1,000	278	1,099	1,000	1,000	
EXPANSION OF DEFENSE PRODUCTION									
Public enterprise funds:									
Revolving fund, Defense Production Act.....	067				130,268	30,200	12,500		
EXPENSES OF MANAGEMENT IMPROVEMENT									
Current authorizations:									
Expenses of management improvement.....	603	125	165	350	87	300	330	250	
MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES									
Current authorizations:									
Economic assistance:									
Defense support:									
Defense support.....	152	695,000	675,000	1 650,000	740,563	705,000	665,000	220,000	
Mutual defense financing, defense support, economic and technical assistance, Europe.....	152								
Mutual defense financing, defense support, economic and technical assistance, Formosa and the Associated States of Cambodia, Laos, and Vietnam.....	152								
Special economic assistance, India and Pakistan.....	152								
Southeast Asia and Western Pacific.....	152								
Technical cooperation:									
Technical cooperation, general authorization.....	152	150,000	150,000	1 162,000	149,196	153,000	158,000	70,000	
Economic and technical assistance, defense support, Asia and Pacific, other than Formosa and the Associated States of Cambodia, Laos, and Vietnam.....	152								
Economic and technical assistance, Near East and Africa.....	152								
United Nations, expanded program of technical assistance, general and related fund.....	152	30,000	33,000	1 40,000	21,580	28,700	31,000	20,000	
Technical cooperation programs of the Organization of American States.....	152	1,200	1,300	1 1,300	1,348	1,300	1,300	600	
Special assistance:									
Special assistance, general authorization.....	152	245,000	230,000	1 298,000	254,903	250,000	255,000	95,000	
Development assistance.....	152								
Development assistance, Asia.....	152								
Development assistance, Near East and Africa.....	152								
Special assistance in joint control areas of Europe.....	152								
Special assistance, special authorization.....	152		1,500			300	1,000		
Other programs:									
Intergovernmental Committee for European Migration.....	152	7,371	6,700	6,000	8,410	7,000	7,500	4,000	
Program of United Nations High Commissioner for Refugees.....	152	1,100	1,300	1 1,000	1,200	1,300	1,200	100	
Escapee program.....	152	4,632	3,350	1 3,000	6,680	4,000	3,500	2,000	
United Nations Children's Fund.....	152	12,000	12,000	1 12,000	12,360	12,000	12,000	4,000	
United Nations Relief and Works Agency.....	152	25,000	16,500	1 12,200	18,402	17,000	16,000	9,500	
Palestine refugee program.....	152								
Ocean freight charges, United States voluntary relief agencies.....	152	1,910	2,000	1 2,300	2,685	2,000	2,000	1,800	
Administrative expenses (sec. 411(b)).....	152	38,000	40,000	1 47,000	36,751	42,200	47,000	41,000	
Administrative and other expenses (sec. 411 (c)).....	152	8,100	8,000	10,200	8,180	8,200	9,300	8,500	
Control Act expenses.....	152								

¹ To carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued									
Current authorizations—Continued									
Economic assistance—Continued									
Other programs—Continued									
Atoms for Peace.....	152	1,500	1,500		1,322	2,500	4,500	2,000	
President's fund for Asian economic development.....	152				18,660	16,500	16,433		
Mutual security loans, Export-Import Bank of Washington.....	152				3				
North Atlantic Treaty Organization.....	152								
NATO science program.....	152		1,200		985	1,200	1,500	600	
Total, economic assistance.....		1,220,813	1,183,350		1,283,226	1,252,200	1,232,233	479,100	
Contingencies: President's special authority and contingency fund.....	152	123,753	248,000		129,386	150,000	220,000	73,000	
Public enterprise funds:									
Development Loan Fund (current appropriation).....	152	550,000	550,000		202,352	275,000	415,000	35,000	
Limitation on administrative expenses, Development Loan Fund.....		(1,820)	(1,800)	(92)					
Foreign investment guarantee fund.....	152				-1,356	-2,200	-2,400		
Intragovernmental funds:									
Expenses, Inspector General and Comptroller, Mutual Security, State.....	152				-167		167		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Development Loan Fund (current appropriation).....	152			150,000			10,000		
Limitation on administrative expenses, Development Loan Fund.....				(75)					
Total, mutual security—economic and contingencies.....		1,894,566	1,981,350	150,000	1,613,441	1,675,000	1,875,000	587,100	
SPECIAL FOREIGN CURRENCY PROGRAMS									
Current authorizations:									
Translation of publications and scientific cooperation.....	215				458	1,297	1,077		
TRANSITIONAL GRANTS TO ALASKA									
Current authorizations:									
Transitional grants to Alaska.....	610	10,500	6,000		10,386	6,098	6,000	6,000	
INTER-AMERICAN COOPERATION									
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Inter-American social and economic cooperation program.....	152			500,000			50,000		
MISCELLANEOUS									
Current authorizations:									
Assistance to Greece and Turkey.....	062				1				
Obligations, defense aid, liquidation lend-lease program.....	152				50				
Total, miscellaneous.....					51				
Total new obligational authority and budget expenditures.....		1,906,191	1,988,515	650,000	1,756,607	1,717,994	1,949,907	594,350	
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		1,906,191	1,988,515	2,213,350	1,756,607	1,717,994	1,889,907	594,350	
Proposed for later transmission:									
Appropriations.....			650,000				60,000		
Total new obligational authority and budget expenditures.....		1,906,191	2,638,515	2,213,350	1,756,607	1,717,994	1,949,907	594,350	

¹ To carry out authorizing legislation to be proposed.

² Includes \$150,000 thousand to carry out authorizing legislation to be proposed.

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
EXPANSION OF DEFENSE PRODUCTION										
Revolving fund, Defense Production Act.....	067	235,827	156,332	70,934	105,560	126,132	58,434	130,268	30,200	12,500
MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES										
Development Loan Fund.....	152	217,310	310,500	481,500	14,958	35,500	66,500	202,352	275,000	415,000
Proposed for later transmission.....	152			10,190			190			10,000
Foreign investment guarantee fund.....	152				1,356	2,200	2,400	-1,356	-2,200	-2,400
Total, mutual security—economic and contingencies.....		217,310	310,500	491,690	16,314	37,700	69,090	200,996	272,800	422,600
Total, public enterprise funds.....		453,137	466,832	562,624	121,874	163,832	127,524	331,264	303,000	435,100

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Disaster relief.....	16,515	27,904	13,458	26,266	4,000	22,266		24,266
Expenses of management improvement.....	260	327	197	365	150	230	150	250
Defense support, mutual security—economic and contingencies.....	2,922	787,516	3,785	733,457		703,457		688,457
Technical cooperation, mutual security—economic and contingencies.....	7,733	168,317	5,412	177,393	8,000	178,693		191,693
Special assistance, mutual security—economic and contingencies.....	1,070	271,630	1,405	261,057		242,257		284,257
President's fund for Asian economic development, mutual security—economic and contingencies.....	2,493	85,846	123	67,186		50,686		34,253
Other programs, mutual security—economic and contingencies.....	13,845	54,617	11,468	57,255	6,500	52,405		46,605
Contingencies, mutual security—economic and contingencies.....	520	139,789	473	134,156		232,156		262,156
Translation of publications and scientific cooperation, special foreign currency program.....	4,809	5,100	3,115	4,642		3,346		2,269
Defense aid, special fund.....	85	220	85	219	85	219	85	219
Other.....		300		197				
Total, appropriations.....	50,252	1,541,566	39,521	1,462,193	18,735	1,485,715	235	1,534,425
Authorizations to expend from debt receipts:								
Revolving fund, Defense Production Act.....	96,393	150,076	-14,601	129,527	41,500	100,127	54,443	87,352
Mutual security loans, Export-Import Bank of Washington, mutual security—economic and contingencies.....	312	548	312	545	312	545	312	545
Foreign investment guarantee fund, mutual security—economic and contingencies.....	73,684	199,072	79,670	199,072	46,870	199,072	14,270	199,072
Total, authorizations to expend from debt receipts.....	170,389	349,696	65,381	329,144	88,682	299,744	69,025	286,969
Revolving and management funds:								
Revolving fund, Defense Production Act.....		118,296		8,577		7,778		8,053
Development Loan Fund, mutual security—economic and contingencies.....	225,678	782,010	399,837	1,129,659	256,632	1,404,659	255,582	1,689,659
Foreign investment guarantee fund, mutual security—economic and contingencies.....		4,050		5,406		7,606		10,006
Expenses, Inspector General and Comptroller, mutual security—economic and contingencies.....			1	167		167		
Total, revolving and management funds.....	225,678	904,356	399,838	1,143,808	256,632	1,420,210	255,582	1,707,718
Proposed for later transmission:								
Appropriations, other than pay increase supplementals: Inter-American social and economic cooperation program.....					50,000	500,000		450,000
Revolving and management funds: Development Loan Fund, mutual security—economic and contingencies.....					100,000	150,000	190	140,000
Total, proposed for later transmission.....					150,000	650,000	190	590,000
Total, funds appropriated to the President.....	446,319	2,795,618	504,740	2,935,146	514,049	3,855,669	325,032	4,119,112

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	1,906,191	2,638,515	2,213,350
Unobligated balances brought forward, start of year.....	446,319	504,740	514,049
Unobligated balances lapsing (-).....	-10,099		
Unobligated balances carried forward, end of year (-).....	-504,740	-514,049	-325,032
Obligations incurred, net	1,837,672	2,629,207	2,402,367
Obligated balances brought forward, start of year.....	2,349,299	2,430,406	3,341,620
Adjustment of obligated balances in expired accounts.....	43		
Obligated balances carried forward, end of year (-).....	-2,430,406	-3,341,620	-3,794,080
Budget expenditures	1,756,607	1,717,994	1,949,907

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Major national security:						
062 Military assistance.....				1		
067 Stockpiling and defense production expansion.....				130,268	30,200	12,500
Total, major national security.....				130,269	30,200	12,500
International affairs and finance:						
152 Economic and financial assistance.....	1,894,566	2,631,350	2,200,000	1,613,491	1,675,000	1,925,000
Labor and welfare:						
215 Promotion of science, research, libraries, and museums.....				458	1,297	1,077
Commerce, housing, and space technology:						
521 Disaster insurance, loans, and relief.....			6,000	1,639	4,000	4,000
General government:						
603 Executive direction and management.....	1,125	1,165	1,350	365	1,399	1,330
610 Other general government.....	10,500	6,000	6,000	10,386	6,098	6,000
Total, general government.....	11,625	7,165	7,350	10,751	7,497	7,330
Total, funds appropriated to the President.....	1,906,191	2,638,515	2,213,350	1,756,607	1,717,994	1,949,907

DISASTER RELIEF

Current authorizations:

DISASTER RELIEF

For expenses necessary to carry out the purposes of the Act of September 30, 1950, as amended (42 U.S.C. 1855-1855g), authorizing assistance to States and local governments in major disasters, \$8,000,000, to remain available until expended: Provided, That not to exceed 3 per centum of the foregoing amount shall be available for administrative expenses.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration.....	56	273	290
2. Aid to disaster areas.....	9,509	7,558	5,810
Total program costs.....	9,565	7,831	6,100
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-5,025		
Obligations incurred for costs of other years, net.....		1,627	3,900
Total obligations.....	4,540	9,458	10,000
Financing:			
Unobligated balance brought forward.....	-16,515	-13,458	-4,000
Recovery of prior year obligations.....	-1,483		
Unobligated balance carried forward.....	13,458	4,000	
New obligational authority (appropriation)			6,000

1. Administration.

2. Aid to disaster areas.—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 appropriations will finance disaster operations through 1961 with unobligated balances of approximately \$4 million carrying forward into 1962. An appropriation of \$6 million is requested so that a minimum balance of \$10 million will be available for 1962 disaster operations.

During 1960 the President proclaimed major disasters in eight States and allocated funds as follows (in thousands of dollars):

State	Type of disaster	Date declared	Allocation
Oklahoma.....	Floods.....	July 21, 1959	127
Texas.....	do.....	do.....	174
Hawaii.....	Hurricane.....	Oct. 6, 1959	210
Ohio.....	Severe weather conditions.....	Nov. 10, 1959	500
Oklahoma.....	Floods.....	Nov. 24, 1959	400
Florida.....	Severe weather conditions.....	Apr. 26, 1960	1,500
South Dakota.....	Floods.....	May 10, 1960	400
Nebraska.....	do.....	May 12, 1960	1,000
Arkansas.....	Tornadoes and floods.....	June 8, 1960	300
Missouri.....	Floods.....	June 15, 1960	1,250
Hawaii.....	Earthquakes and volcanic disturbances.....	do.....	250
Do.....	do.....	do.....	1,610
Total 1960 declarations.....			7,721
Administrative allocations.....			232
Less returns to the President's fund.....			-1,525

Less allocated funds not obligated.....	-1,888
Total obligations (1960).....	4,540

3. 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received).....	10,945	12,280	15,566	19,466
Advances (payments for goods and services on order not yet received).....	12,512	4,659	3,000	3,000
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-11	-1	-1	-1
Total selected resources at end of year.....	23,446	16,938	18,565	22,465
Selected resources at start of year (-).....		-23,446	-16,938	-18,565
Adjustment of selected resources reported at start of year.....		1,483		
Costs financed from obligations of other years, net (-).....		-5,025		
Obligations incurred for costs of other years, net.....			1,627	3,900

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
11 Personnel compensation:			
Permanent positions.....	30	37	38
Other personnel compensation.....	15	194	206
Total personnel compensation.....	45	231	244
12 Personnel benefits.....	2	10	12
21 Travel and transportation of persons.....	16	30	30
25 Other services.....	2	4	4
41 Grants, subsidies, and contributions.....	4,461	9,177	9,710
Total, Office of Civil and Defense Mobilization.....	4,526	9,452	10,000
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation:			
Permanent positions.....	9	5	
Other personnel compensation.....	1		
Total personnel compensation.....	10	5	
12 Personnel benefits.....	1	1	
25 Other services.....	3		
Total, Corps of Engineers—Civil.....	14	6	
Total obligations.....	4,540	9,458	10,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO OFFICE OF CIVIL AND DEFENSE MOBILIZATION			
Total number of permanent positions.....	7	7	7
Average number of all employees.....	10	45	47
Number of employees at end of year.....	14	14	14
Average GS grade.....	5.6	5.6	5.6
Average GS salary.....	\$4,833	\$5,310	\$5,440
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
Total number of permanent positions.....	2	1	
Average number of all employees.....	2	1	
Number of employees at end of year.....	1	0	
Average GS grade.....	7.9	7.9	
Average GS salary.....	\$6,088	\$6,568	

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-sixth Congress or the first session of the] Eighty-seventh Congress, and such appropriation denied after consideration thereof by the Senate or House of Representatives or by the Committee on Appropriations of either body. (*General Government Matters Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Emergency programs (total obligations).....	85	1,000	1,000
Financing:			
Unobligated balance lapsing.....	915		
New obligational authority (appropriation)	1,000	1,000	1,000

These funds are to enable the President to provide for emergencies affecting the national interest, security, or defense.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
EMERGENCY FUND FOR THE PRESIDENT			
Reserved for future allocations.....		960	1,000
ALLOCATION TO DEPARTMENT OF COMMERCE			
11 Personnel compensation:			
Permanent positions.....	5	21	
Positions other than permanent.....	2		
Total personnel compensation.....	7	21	
12 Personnel benefits.....		2	
21 Travel and transportation of persons.....	43	1	
24 Printing and reproduction.....	13	9	
25 Other services.....	13		
26 Supplies and materials.....		1	
31 Equipment.....	9	6	
Total, Department of Commerce.....	85	40	
Total obligations.....	85	1,000	1,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO DEPARTMENT OF COMMERCE			
Total number of permanent positions.....	8	3	
Average number of all employees.....	1	2	
Number of employees at end of year.....	8	0	
Average GS grade.....	5.0	7.0	
Average GS salary.....	\$5,101	\$5,387	

EXPANSION OF DEFENSE PRODUCTION

Public enterprise funds:

REVOLVING FUND, DEFENSE PRODUCTION ACT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Minerals and metals production program (General Services Administration):			
Purchase of commodities:			
Aluminum.....	27,511	23,395	23,578
Chrome.....	3,929	3,680	1,385
Cobalt.....	12,410	1,433	1,456
Copper.....	289	3,322	
Manganese.....	25,657	12,012	7,502
Mica.....	7,813	4,319	1,465
Nickel.....	48,941	27,230	22,769
Titanium.....	6,011	6,596	3,989
Other.....	2,466	180	144
Other program expense.....	17,088	3,438	1,048
2. Machine tool program (General Services Administration).....	2,196	505	505
3. Rubber program (General Services Administration).....	7		
4. Other (General Services Administration):			
Administrative.....	1,874	1,637	1,415
Interest.....	60,537	750	
Custodial.....	1,140	2,000	1,955
5. Agricultural commodities program (Agriculture):			
Interest.....	2,600		
Other program expense.....	236	17	
6. Mineral exploration program (Interior):			
Interest.....	834		
Other program expense.....	276	819	1,023
7. Domestic lending program (Treasury):			
Interest.....	4,343	4,573	4,600
Other program expense.....	1,599	323	165
8. Foreign lending program (Export-Import Bank):			
Interest.....	632	550	260
Other program expense.....	2	2	3
9. Assets transferred to other agencies or funds.....	5,555		
Total operating costs.....	233,946	96,781	73,262
10. Unfunded adjustments to total operating costs:			
Assets transferred to other agencies or funds.....	-5,555		
Depreciation included above (General Services Administration).....	-5,136	-3,500	-1,500
Provision for self insurance at Government-owned plant (General Services Administration).....	-145	-100	
Loss on disposal of assets (General Services Administration).....	-1,891		
Provision for losses on loans (Interior).....	-276	-819	-1,023
Provision for losses on loans (Treasury).....	-1,217		-65
Total operating costs, funded.....	219,726	92,362	70,674
Capital outlay:			
1. Minerals and metals production program (General Services Administration): Land, structures, equipment and advances.....	13,433		
2. Machine tool program (General Services Administration).....	16		
4. Administrative expenses (General Services Administration): Office equipment.....	4	10	10
6. Mineral exploration program (Interior): Loans.....	494	250	125

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Capital outlay—Continued			
8. Foreign lending program (Export-Import Bank): Loans	42		
Total capital outlay	13,989	260	135
Total program costs, funded	233,714	92,622	70,809
11. Relation of costs to obligations: Costs financed from obligations of other years, net (-)	-31,517	-22,631	-23,980
Total obligations	202,197	69,991	46,829
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection of loans	9,806	11,322	27,676
Repayment of advances	16,832	2,109	154
Proceeds from sale of fixed assets	2,000	1,003	776
Sale of commodities	50,681	37,567	19,545
Other receipts	10,726	9,620	10,283
Recovery of prior year obligations:			
Proposed cancellation of interest on borrowings from Treasury		62,906	
Other	1,159	1,564	1,338
Total amounts becoming available	91,204	126,091	59,772
Unobligated balance brought forward (authorization to expend from public debt receipts)	96,393	-14,601	41,500
Total amounts available	187,597	111,491	101,272
Unobligated balance carried forward (authorization to expend from public debt receipts)	14,601	-41,500	-54,443
Total financing applied to program	202,197	69,991	46,829

Note.—Accrued interest to Treasury for General Services Administration, Department of Agriculture, and Department of the Interior totaling \$70.1 million in 1961 and \$75 million in 1962 is excluded from operating costs. Legislation is being proposed to eliminate the requirement for payment of interest to Treasury for activities carried on by these agencies.

Under the Defense Production Act of 1950, as amended, designated agencies are authorized with Presidential approval to incur obligations and make expenditures to secure expanded production of critical materials in furtherance of the defense effort. The program is conducted primarily through a revolving fund financed by borrowings from the Treasury. The amount borrowed may not exceed \$2.1 billion outstanding at any one time, but the act 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 repayment of loans and sale of inventories, for example), portions of the borrowing authority are used for working capital on a current basis. Due to the imminent exhaustion of this borrowing authority, a direct appropriation of \$108 million was enacted for 1959, thus providing cumulative financing authority of \$2,208 million.

The following agencies have been designated to carry out programs to expand production capacity as follows:

General Services Administration.—Purchase and resale of metals, minerals and machine tools, and research and pilot plant operations to develop new materials and new techniques for utilizing low grade domestic ores.

Department of Agriculture.—Purchase and resale of agricultural commodities.

Department of the Interior.—Loans and grants to encourage exploration for strategic and critical minerals.

Treasury Department.—Loans to domestic private enterprises.

Export-Import Bank of Washington.—Loans to foreign private enterprises.

Programs must be certified as essential to the national defense by the Office of Civil and Defense Mobilization. The gross transactions (gross commitments) and financing authorized as of June 30, 1960, are as follows (in thousands of dollars):

	Gross trans- actions	Financing authority		
		Total al- located	Working capital	Probable ultimate net cost
General Services Administration	7,643,898	1,912,000	888,701	1,023,299
Treasury Department	430,389	156,600	155,000	1,600
Department of Agriculture	111,898	70,500		70,500
Department of the Interior	35,800	35,800		35,800
Export-Import Bank of Wash- ington	45,212	20,500	20,500	
Total authorized	8,267,197	2,195,400	1,064,201	1,131,199
Unused balance		12,600		
Total financing authority		2,208,000		

As one of the inducements for expanding production most of the contracts provide a guaranteed market for the production from the expanded facilities. Significant amounts of materials are being delivered to the Defense Production Act inventory under these contracts. Investment in inventory of \$1,371.6 million on June 30, 1959, and \$1,452.4 million on June 30, 1960 is expected to increase to \$1,540 million by June 30, 1962.

Every effort is made to dispose of Defense Production Act materials where sales will not disrupt markets. Progress in disposal is necessarily slow, however, since the capacity of the market to absorb these materials without undue effect is limited. Therefore, there is little likelihood in the near future of substantial disposal.

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 expenses and losses. Since there is no way for the fund to recover its realized losses or reduce inventories appreciably in a short period of time, the perpetuation of the interest-bearing arrangement on such expended capital merely makes the cumulative deficit even greater as the interest accrues.

Legislation is being requested which would direct the Secretary of the Treasury to honor non-interest-bearing notes and cancel accrued interest on existing notes for borrowings to carry out activities under section 303 of the act. If such legislation is enacted, existing financing authority of \$2,208 million should be sufficient to cover cumulative net disbursements through 1962. Future cash requirements are subject to many variables involved in unexpired options of expansion contracts and sales potential of Defense Production Act raw materials and real property inventories.

General Services Administration.—Financing of \$1,912 million has been authorized as of June 30, 1960, to cover the expansion of productive capacity for strategic metals, minerals, and machine tools. This amount includes \$1,023.3 million for probable ultimate net cost of specific programs of which \$792.5 million is for metals and minerals

EXPANSION OF DEFENSE PRODUCTION—Con.**Public enterprise funds—Continued**

REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued

programs, \$18.3 million for machine tool and marine turbine and gear capacity programs, and \$212.5 million for Treasury interest, custodial and administrative expenses. The financing also includes \$888.7 million of working capital required for carrying inventories for which only a limited sale is now foreseen.

The bulk of the expansion programs have been completed, with the major problems being receipt, custody, and eventual disposition of the materials and facilities. 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. Between July 1, 1957, and June 30, 1960, a reduction of \$316.2 million in gross commitments under the Defense Production Act was attained through renegotiation of contracts.

A summary of transactions involving strategic minerals and metals (including work-in-process inventory) under this fund follows (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Opening inventory.....	1,371.6	1,452.4	1,494.6
Deliveries during year.....	135.1	82.2	62.3
Total available.....	<u>1,506.7</u>	<u>1,534.6</u>	<u>1,556.9</u>
Less cost of goods sold:			
Sales receipts.....	50.7	37.6	19.5
Profit (—) or loss on sales.....	3.6	2.4	—2.6
Cost of goods sold.....	<u>54.3</u>	<u>40.0</u>	<u>16.9</u>
Closing inventory.....	1,452.4	1,494.6	1,540.0

As of June 30, 1960, a total of \$7,492.7 million in gross value of contracts has been entered into by the General Services Administration under Defense Production Act authority. Of this amount a total of \$6,686.5 million has been completed as measured by procurement, expiration of contractor options on guaranteed production, completion of facilities, completed research, etc. The balance of \$806.2 million includes a total of \$653.2 million of commodity contracts, a few of which will not mature until 1965.

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 1960, the Corporation continued the management of inventories of castor beans and the remaining American-Egyptian cotton acquired under programs initiated in prior years. All of the castor beans and nearly all of the American-Egyptian cotton inventories had been disposed of by June 30, 1960. The remainder of the cotton has been sold during 1961.

The liquidation of the cotton inventory marks the completion of all programs certified to the Secretary of Agriculture under the Defense Production Act. Legislation is being proposed to cancel notes payable to Treasury equal to the \$70.5 million in probable ultimate net cost

under these programs and to reduce the total authorization to borrow from Treasury by an equivalent amount.

Department of the Interior.—New contracting under the minerals exploration program administered by the Defense Minerals Exploration Administration under the Defense Production Act was terminated on June 30, 1958. Under Public Law 85-701, August 21, 1958, the Office of Minerals Exploration was created and authorized to use appropriated funds to administer the Defense Production Act contracts and certified projects remaining in force, as well as to conduct a continuing exploration assistance program.

The Defense Minerals Exploration Administration entered into 1,159 contracts. The total cost of work involved was \$56.8 million and the maximum Government participation was \$34.8 million. Of the total Government participation, \$23.3 million has been disbursed, \$10.7 million has been canceled, and \$898 thousand, under 15 contracts, remains to be disbursed. The remaining commitment to disburse is expected to be reduced by disbursements and cancellations in the amount of \$596 thousand in 1961 and \$218 thousand in 1962.

The exploration contracts provide that if production results from any of the Government assisted projects within a 10-year period, part of the Government funds will be repaid according to a royalty arrangement. By June 30, 1960, the Office of Minerals Exploration had certified discoveries on 391 projects, and royalty payments totaling \$3.6 million had been received. Royalty payments are estimated at \$400 thousand each for 1961 and 1962.

Losses realized to June 30, 1960, total \$16.9 million, of which \$5.4 million represents losses under exploration contracts and \$11.5 million unrecovered administrative expense and interest on borrowings from Treasury. Assuming the enactment of proposed legislation to remove the requirement to pay interest on borrowings from Treasury after 1960, the net cost of this program through 1965 is estimated at \$32.1 million.

Treasury Department.—No loans to domestic enterprises were authorized during 1960. It is anticipated that there will be no additional loans authorized in 1961 and 1962.

Loans outstanding on June 30, 1960, after reserves for losses, totaled \$154.7 million and there were \$14.7 million in commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred. By the close of 1962 it is estimated that the net loans will be reduced to \$136.7 million and the deferred participation commitments to \$12.4 million. Cumulative net profit from operations as of June 30, 1960, was \$18.2 million and is expected to be \$25.1 million on June 30, 1962.

Export-Import Bank of Washington.—No certifications were received and no new loans were authorized by the Bank during 1960 for expansion of foreign productive capacity. It is contemplated that there will be no additional certifications to the Export-Import Bank in connection with these operations. Loans outstanding on June 30, 1960, of \$24.4 million are expected to be reduced to \$5.3 million by June 30, 1962. Cumulative net profit from operations as of June 30, 1960, was \$4.2 million and is expected to be \$5.1 million on June 30, 1962.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Advances to other Government agencies, agents, and employees.....	183	44	44	44
Supplies.....	6,080	5,720	5,720	5,720
Deferred charges.....	794	1,167	1,167	1,167
Undisbursed commitments and unpaid undelivered orders.....	122,812	90,263	66,068	40,750
Total selected resources at end of year.....	129,870	97,194	72,999	47,681
Selected resources at start of year (-).....	-129,870	-97,194	-72,999	-72,999
Adjustment due to recovery of prior year obligations.....		1,159	1,564	1,338
Costs financed from obligations of other years, net (-).....		-31,517	-22,631	-23,980

Operating results.—The deficit of \$285,094 thousand as of June 30, 1960, consists of a cumulative deficit (net) of \$393,094 thousand and \$108 million appropriated in 1959 for partial restoration of capital impairment.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
General Services Administration:			
Minerals and metals program:			
Acquisition of assets.....	13,433		
Expense:			
Purchases and manufacturing costs.....	130,962	82,167	62,288
Other expense.....	16,150	338	48
Machine tool program:			
Capitalized costs.....	16		
Expense.....	31	5	5
Rubber program: Expense.....	7		
Undistributed:			
Acquisition of administrative equipment.....	4	10	10
Expense.....	63,547	4,387	3,370
Increase in selected working capital.....		58,893	
Total, General Services Administration.....	224,150	145,800	65,721
Department of Agriculture:			
Expense.....	2,835	17	
Increase in selected working capital.....	2,113	3,917	
Total, Department of Agriculture.....	4,948	3,934	
Department of the Interior:			
Acquisition of loans.....	494	250	125
Expense.....	834		
Increase in selected working capital.....		900	
Total, Department of the Interior.....	1,328	1,150	125
Treasury Department:			
Expense.....	4,725	4,896	4,700
Increase in selected working capital.....			125
Total, Treasury Department.....	4,725	4,896	4,825
Export-Import Bank of Washington:			
Acquisition of loans.....	42		
Expense.....	634	552	263
Total, Export-Import Bank of Washington.....	676	552	263
Total gross expenditures.....	235,827	156,332	70,934

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
General Services Administration:			
Minerals and metals program:			
Proceeds from sale of fixed assets.....	1,206	220	82
Advances repaid.....	16,832	2,109	154
Revenue.....	51,612	37,899	21,578
Machine tool program:			
Proceeds from sale of equipment.....	794	783	694
Revenue.....	375	232	230
Undistributed:			
Transfer of working capital from other funds.....	4		
Adjustment of employees' leave liability.....	11		
Decrease in selected working capital (proposed cancellation of interest on borrowings from Treasury).....		58,893	
Decrease in selected working capital.....	13,336		
Total, General Services Administration.....	84,170	100,136	22,738
Department of Agriculture: Decrease in selected working capital (proposed cancellation of interest on borrowings from Treasury).....		3,113	
Department of the Interior:			
Loans repaid.....	446	400	400
Decrease in selected working capital (proposed cancellation of interest on borrowings from Treasury).....		900	
Decrease in selected working capital.....	450		
Total, Department of the Interior.....	896	1,300	400
Treasury Department:			
Loans repaid.....	5,324	6,372	12,755
Revenue.....	8,133	7,976	7,470
Decrease in selected working capital.....	1,712	1,598	
Total, Treasury Department.....	15,169	15,946	20,225
Export-Import Bank of Washington:			
Loans repaid.....	4,036	4,550	14,521
Revenue.....	1,272	1,080	550
Decrease in selected working capital.....	17	7	
Total, Export-Import Bank of Washington.....	5,325	5,637	15,071
Total receipts from operations.....	105,560	126,132	58,434
Budget expenditures.....	130,268	30,200	12,500

Revenue, Expense, and Retained Earnings (in thousands of dollars)

General Services Administration:			
Minerals and metals program:			
Revenue.....	51,612	37,899	21,578
Expense.....	71,292	43,385	17,950
Net operating income or loss (-), minerals and metals program.....	-19,680	-5,486	3,628
Machine tool program:			
Revenue.....	375	232	230
Expense.....	387	505	505
Net operating loss (-), machine tool program.....	-12	-273	-275
Rubber program: Expense (net operating loss (-)).....	-7		
Undistributed (net operating loss (-)).....	-63,551	-4,387	-3,370

EXPANSION OF DEFENSE PRODUCTION—Con.**Public enterprise funds—Continued****REVOLVING FUND, DEFENSE PRODUCTION ACT—Continued****Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
General Services Administration—Continued			
Nonoperating income or loss (—):			
Proceeds from sale of assets:			
Minerals and metals program.....	1,206	220	82
Machine tool program.....	794	783	694
Net book value of assets sold (—).....	-3,891	-1,003	-776
Net loss (—) from sale of assets.....	-1,891		
Transfers from other sources: Minerals and metals program:			
Capital assets.....	12		
Supplies.....	4		
Transfers to other agencies or funds, net:			
Minerals and metals program—equip- ment.....	-49		
Machine tool program—machine tools.....	-5,506		
Recovery of losses through civil hostil- ities in Cuba on fixed assets.....	49		
Adjustment of employees' leave liability.....	11		
Net nonoperating loss (—).....	-7,370		
Net loss (—) for the year, General Services Administration.....	-90,620	-10,146	-17
Department of Agriculture: Expense (net loss (—) for the year).....	-2,835	-17	
Department of the Interior:			
Expense.....	834		
Nonoperating loss:			
Writeoff of loan.....	276	819	1,023
Decrease in valuation allowance (—).....	-276	-819	-1,023
Net loss (—) for the year, Department of the Interior.....	-834		
Treasury Department:			
Revenue.....	8,133	7,976	7,470
Expense.....	4,725	4,896	4,700
Net operating income.....	3,408	3,080	2,770
Nonoperating income or loss (—):			
Writeoff of loans (—).....	-1,217		-65
Decrease in valuation allowances.....	1,500	600	550
Net nonoperating income.....	283	600	485
Net income for the year, Treasury De- partment.....	3,691	3,680	3,255
Export-Import Bank of Washington:			
Revenue.....	1,272	1,080	550
Expense.....	634	552	263
Net income for the year, Export-Import Bank of Washington.....	638	528	287
Net income or loss (—) for the year.....	-89,960	-5,955	3,525
Analysis of deficit (—):			
Deficit (—), beginning of year.....	-230,202	-285,094	-228,143
Reclassification from non-interest-bearing capital to deficit (—):			
Transfers to other agencies or funds (—).....	-9,655		
Donated assets.....	45,517		
Writeoff of capital and current assets lost through civil hostilities in Cuba (—).....	-794		
Deficit (—), beginning of year (ad- justed).....	-195,134	-285,094	-228,143
Proposed cancellation of interest on borrow- ings from Treasury.....		62,906	
Deficit (—), end of year.....	-285,094	-228,143	-224,618

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	8,577	7,778	8,053
Accounts receivable, net.....	9,372	8,120	7,915
Advances to other Government agencies, agents, and employees.....	44	44	44
Commodities.....	1,452,356	1,494,576	1,539,962
Supplies.....	5,720	5,720	5,720
Deferred charges.....	1,167	1,167	1,167
Loans receivable, net.....	180,171	169,699	142,633
Advances on long term contracts.....	4,478	2,369	2,215
Land, structures, and equipment, net.....	96,748	92,255	89,989
Total assets.....	1,758,634	1,781,728	1,797,698
Liabilities:			
Current liabilities.....	71,814	8,457	8,127
Reserves, Government-owned plant.....	926	1,027	1,027
Total liabilities and reserves.....	72,740	9,484	9,154
Government investment:			
Interest-bearing capital:			
Start of year.....	1,949,924	1,970,473	1,999,873
Borrowings from Treasury during year, net.....	20,549	29,400	12,774
End of year.....	1,970,473	1,999,873	2,012,647
Non-interest-bearing capital:			
Start of year.....	35,583	515	515
Reclassified as surplus or deficit:			
Transfers to other agencies or funds.....	9,655		
Donated assets (—).....	-45,517		
Writeoff of capital and current assets lost through civil hostilities in Cuba.....	794		
End of year.....	515	515	515
Deficit (—).....	-285,094	-228,143	-224,618
Total Government investment.....	1,685,894	1,772,245	1,788,544

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	118,296	8,577	7,778	8,053
Budget authorization.....	150,076	129,527	100,127	87,352
Total unexpended balance.....	268,372	138,104	107,905	95,405
Obligated balance, net:				
Current liabilities.....	60,309	71,814	8,457	8,127
Undispersed commitments and unpaid undelivered orders.....	122,812	90,263	66,068	40,750
Accounts receivable, net (—).....	-11,142	-9,372	-8,120	-7,915
Total obligated balance.....	171,979	152,705	66,405	40,962
Unobligated balance.....	96,393	-14,601	41,500	54,443

Note.—Excludes contingent liabilities as follows: 1959, \$640,376 thousand; 1960, \$398,107 thousand; 1961, \$259,815 thousand; 1962, \$193,823 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	935	702	598
Positions other than permanent.....	2		
Other personnel compensation.....	17	8	1
Total personnel compensation.....	954	710	599
12 Personnel benefits.....	64	65	48
21 Travel and transportation of persons.....	24	36	35
Payment to interagency motor pools.....	2	3	3
22 Transportation of things.....	3,199	1,360	1,538

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	31	27	27
24 Printing and reproduction.....	4	7	6
25 Other services.....	17,077	2,440	2,020
Payment to "Administrative operations fund".....	1,090	850	742
Services of other agencies.....	22	15	15
26 Supplies and materials.....	131,861	80,821	60,761
31 Equipment.....	9,378	10	10
33 Investments and loans.....	1,062	405	145
43 Interest.....	68,946	5,873	4,860
Total costs.....	233,714	92,622	70,809
Cost financed from obligations of other years, net (—).....	—31,517	—22,631	—23,980
Total obligations.....	202,197	69,991	46,829
Obligations are distributed as follows:			
General Services Administration.....	193,918	64,525	41,866
Suballocated from General Services Admin- istration to Department of the Interior.....	259	18	-----
Department of the Interior.....	21	-----	-----
Treasury Department.....	4,725	4,896	4,700
Export-Import Bank of Washington.....	676	552	263
Department of Agriculture.....	2,598	-----	-----

Personnel Summary

Total number of permanent positions.....	142	91	77
Average number of all employees.....	134	89	77
Number of employees at end of year.....	119	86	77
Average GS grade.....	8.4	8.9	8.6
Average GS salary.....	\$7,066	\$8,087	\$7,926
Average salary of ungraded positions.....	\$4,921	\$5,028	\$4,762

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, **[\$165,000]** \$350,000, 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. (*General Government Matters Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Improving the management of executive agencies (total obligations).....	189	212	350
Financing:			
Unobligated balance brought forward.....	—260	—197	—150
Unobligated balance carried forward.....	197	150	150
New obligational authority (appropriation)	125	165	350

These funds enable the President to develop and install improvements in the management, organization, and operation of the agencies of the executive branch.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
EXPENSES OF MANAGEMENT IMPROVEMENT			
Reserved for future allocations.....	-----	157	350
ALLOCATION TO BUREAU OF THE BUDGET			
11 Personnel compensation:			
Positions other than permanent.....	3	-----	-----
Other personnel compensation.....	18	-----	-----
Total personnel compensation.....	21	-----	-----
12 Personnel benefits.....	1	-----	-----
21 Travel and transportation of persons.....	3	-----	-----
25 Other services.....	164	55	-----
Total, Bureau of the Budget.....	189	55	-----
Total obligations.....	189	212	350

Personnel Summary

ALLOCATION TO BUREAU OF THE BUDGET			
Average number of all employees.....	1	-----	-----
Number of employees at end of year.....	1	-----	-----

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES

Economic assistance is provided to help maintain political and economic stability, to assist in meeting the costs of relatively large military forces maintained by some of the less developed countries as part of the common defense, and to help improve economic conditions in the less developed areas of the world. Mutual security economic programs include defense support, technical cooperation, special assistance, Development Loan Fund, the investment guarantee program, and a number of other programs, such as contributions to certain special activities of the United Nations and other international agencies. The appropriation for contingencies, while used primarily for economic purposes, is also available for military assistance. Authorization for these nonmilitary programs for 1962 is required, with a number of minor exceptions. Information on the military assistance program appears in the chapter on Department of Defense—Military.

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, **[1961]** 1962, unless otherwise specified herein, as follows:

ECONOMIC ASSISTANCE

Defense support: For assistance authorized by section 131(b), **[\$610,000,000, including not less than \$35,000,000 for Spain]** \$650,000,000.

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued

Current authorizations—Continued

ECONOMIC ASSISTANCE—Continued

For an additional amount for defense support, as authorized by section 131(b) of the Mutual Security Act of 1954, as amended, \$65,000,000.

Technical cooperation, general authorization: For assistance authorized by section 304, \$150,000,000: *Provided*, That no part of this appropriation shall be used to initiate any project or activity which has not been justified to the House of Representatives and the Senate \$162,000,000.

United Nations expanded program of technical assistance and related fund: For contributions authorized by section 306(a), \$33,000,000 \$40,000,000.

Technical cooperation programs of the Organization of American States: For contributions authorized by section 306(b), \$1,300,000. Special assistance, general authorization: For assistance authorized by section 400(a), \$230,000,000 \$293,000,000.

Special Assistance, special authorization: For assistance authorized by section 400(c) for hospital construction, \$1,500,000 to be used to purchase foreign currencies which the Department of the Treasury may determine to be excess to the normal requirements of the United States.

Intergovernmental Committee for European Migration: For contributions authorized by section 405(a), \$6,700,000 \$8,000,000: *Provided*, That no funds herein appropriated 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: *And provided further*, That no funds herein appropriated shall be used to pay transportation costs of any doctor or immigrant inspector or for any space not required to be allotted by the applicable U.S. maritime laws and regulations.

Program of United Nations High Commissioner for Refugees: For contributions authorized by section 405(c), \$1,300,000 \$1,000,000.

Escapee program: For assistance authorized by section 405(d), \$3,350,000 \$3,000,000.

United Nations Children's Fund: For contributions authorized by section 406, \$12,000,000.

United Nations Relief and Works Agency: For contributions and expenditures authorized by section 407, \$16,500,000 \$12,200,000.

North Atlantic Treaty Organization science program: For contributions authorized by section 408(a), \$1,200,000 \$1,500,000.

Ocean freight charges, United States voluntary relief agencies: For payments authorized by section 409(c), \$2,000,000 \$2,300,000.

General administrative expenses: For expenses authorized by section 411(b), \$38,000,000 including the purchase of not to exceed forty passenger motor vehicles for use abroad in addition to those otherwise authorized, \$47,000,000: *Provided*, That the cost of any such passenger motor vehicle for the chief of any special mission established under section 526 of the Mutual Security Act of 1954, as amended, shall not exceed \$3,500.

Administrative and other expenses: For expenses authorized by section 411(c) \$8,000,000 \$10,200,000.

Atoms for peace: For assistance authorized by section 419, \$1,500,000 \$3,500,000.

Unobligated balances as of June 30, 1961, of funds heretofore made available under authority of the Mutual Security Act of 1954, as amended, [and available as of June 30, 1960,] are, except as otherwise provided, hereby continued available for the fiscal year [1961] 1962, for the same general purposes for which appropriated.

Funds appropriated under each paragraph of this title, including unobligated balances continued available, and amounts certified pursuant to section 1311 of the Supplemental Appropriation Act, 1955, as having been obligated against appropriations heretofore made for the same general purpose as such paragraph, which amounts are hereby continued available for the same period as the respective appropriations in this title for the same general purpose, may be consolidated in one account for each paragraph. (Mutual Security and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Note.—Estimate for 1962 excludes \$600 thousand for activities transferred in the estimates to "International educational exchange activities." Department of State. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Defense support:			
(a) Europe and Africa.....	48,895	35,000	} 650,000
(b) Near East and South Asia.....	223,237	202,000	
(c) Far East.....	508,210	441,042	
(d) Nonregional programs.....	385	100	
Total, defense support.....	780,727	678,142	650,000
2. Technical cooperation:			
(a) General.....	169,108	152,774	170,000
(b) United Nations.....	30,800	33,000	40,000
(c) Organization of American States.....	1,474	1,500	1,300
(d) Nonregional programs.....	20	100	-----
Total, technical cooperation.....	201,402	187,374	211,300
3. Special assistance:			
(a) Europe and Africa.....	123,746	103,700	} 298,000
(b) Near East and South Asia.....	77,695	65,650	
(c) Far East.....	8,017	3,600	
(d) Latin America.....	29,895	20,800	
(e) Nonregional programs.....	43,358	38,909	
Total, special assistance.....	282,711	232,659	298,000
4. Other programs:			
(a) Migrants, refugees, and escapee programs.....	18,126	13,900	11,000
(b) United Nations children's fund.....	12,000	12,000	12,000
(c) United Nations Relief and Works Agency.....	23,000	16,394	17,200
(d) Ocean freight charges, U.S. voluntary relief agencies.....	2,981	2,423	2,300
(e) Administrative expenses.....	38,164	43,246	47,500
(f) Administrative and other expenses (State).....	8,245	8,412	10,200
(g) Atoms for Peace.....	3,561	1,714	3,500
(h) NATO science program.....	1,192	1,200	1,500
(i) President's fund for Asian economic development.....	212	-----	-----
Total, other programs.....	107,481	99,289	105,200
Total obligations.....	1,372,321	1,197,464	1,264,500
Financing:			
Comparative transfers to other accounts.....	530	480	-----
Unobligated balance brought forward:			
Annual appropriation acts.....	-26,940	-22,193	-14,500
Other legislative authority:			
Appropriation.....	-1,460	-----	-----
Authorization to expend from public debt receipts.....	-312	-312	-312
Recovery of prior year obligations.....	-155,337	-6,900	-----
Unobligated balance transferred to "Contingencies" (68 Stat. 849).....	337	-----	-----
Unobligated balance carried forward:			
Annual appropriation acts.....	22,193	14,500	-----
Other legislative authority:			
Authorization to expend from public debt receipts.....	312	312	312
Unobligated balance lapsing.....	9,168	-----	-----
New obligational authority.....	1,220,813	1,183,350	1,250,000
New obligational authority:			
Appropriation.....	1,220,813	1,181,350	1,250,000
Transferred from "Contingencies" (74 Stat. 870).....	-----	2,000	-----
Appropriation (adjusted).....	1,220,813	1,183,350	1,250,000

1. *Defense support.*—Defense support is economic aid provided to 12 of the lesser developed countries in order to assist them to make specific contributions to the common defense effort. The existence of defense support is rooted in a specific military requirement: the continued contribution of forces of over 3 million men and military facilities vital to the United States. The dimensions of support are determined by analysis of the capability of a country to make its defense contribution without endangering political or economic stability. Funds are primarily used to finance imports of food, raw materials, and machinery, which are sold in commercial markets for local currency which in turn is used for support of military budgets and essential civilian economic activities.

(a) *Europe and Africa.*—Spain, where the United States has bases of strategic importance, is the only country in this region which received defense support aid.

(b) *Near East and South Asia.*—Greece, Turkey, Iran, and Pakistan are the countries in this area which receive defense support. All of them are members of regional defense pacts which are part of the common defense.

(c) *Far East.*—The major portion of defense support is allocated to the Far East countries of Korea, China (Taiwan), Vietnam, Cambodia, Laos, the Philippines, and Thailand.

2. *Technical cooperation.*—This is a program for the international exchange of technical knowledge and skills through surveys, training, and demonstration programs designed to introduce and improve needed institutions to increase the skills of peoples in less developed countries and to enable them to achieve a higher standard of living. Programs in health, education, agriculture, industry, and other fields are designed to lead to an early impact as well as to bring about long-term material benefits. The major share of the U.S. contribution to the widespread effort to improve knowledge and skills in the underdeveloped countries is provided through bilateral programs; the United States also contributes to United Nations organizations operating in the field of technical assistance and to the programs of the Organization of American States.

(a) *General.*—The bilateral program is being increased in accordance with our ability to recruit American technicians to carry out the program overseas and with the increasing ability of the cooperating countries to make good use of their services. It is estimated that there will be, by June 30, 1961, 3,700 direct-hire technicians plus 2,000 technicians employed by American firms, colleges, universities, and institutions which provide technical advice and services under contract.

(b) *United Nations.*—The United Nations expanded program of technical assistance is aiding over 95 countries and territories through the provision of experts and the financing of fellowships for training abroad. The special fund emphasizes interregional surveys and training institutes. The 2 programs are financed by voluntary contributions from some 90 governments. The United States contribution is about 40% of the total. The program has been expanding during the last several years as a result of higher contributions from European and Commonwealth countries.

(c) *Organization of American States.*—This appropriation provides for the annual U.S. contribution, which is about 70% of the total, to the technical assistance programs of the Organization of American States.

3. *Special assistance.*—This is economic aid which is necessary to achieve political, economic, or other objectives of the United States in countries where the United States is not providing military assistance in support of significant military forces and where the needs for economic assistance cannot be provided under other programs, such as technical cooperation or the Development Loan Fund. The country programs being implemented during the present year serve the following broad objectives: (1) To maintain or develop economic stability in countries in which U.S. support is essential to continued independence or identification with the free world; (2) to secure or maintain U.S. military facilities or other rights in a country or to deal with economic and other problems arising out of the existence of such facilities. Special assistance programs are also being implemented in the fields of health and education, the largest being the worldwide malaria eradication program. Others are support of international medical research activities and American schools abroad.

(a) *Europe and Africa.*—Nearly all of the special assistance for this area is furnished to countries in Africa. Certain of the programs in Africa are to be increased during 1961 and 1962. Some of these countries, many of which are just now becoming independent, require considerable improvements in education, administration, public health, and other fundamental skills as a foundation for economic development. In addition, for 1961 there was appropriated for hospital construction, \$1.5 million to be used to purchase foreign currencies. These currencies will be used to defray local costs (zlotys) incurred in the construction of a research hospital in Krakow, Poland.

(b) *Near East and South Asia.*—Countries in this area receive special assistance in order to help meet budgetary requirements, to overcome balance-of-payments difficulties, and to help resist Communist pressure.

(c) *Far East.*—Most of the countries in the Far East have military agreements with the United States and are eligible for defense support aid. The special assistance programs in this area (Burma and Indonesia in 1960) are relatively small.

(d) *Latin America.*—Two of the countries in Latin America, Bolivia and Haiti, which have especially critical balance-of-payments problems, receive the bulk of the special assistance.

(e) *Nonregional programs.*—This category includes the various worldwide programs in health and education mentioned above.

Loans.—Although the bulk of loans made from mutual security program funds are now made from the Development Loan Fund, a portion of the special assistance funds is loaned each year rather than granted. These loans are almost all for economic development projects, and may be repayable in either dollars or foreign currency. The tables below show the current status of these loans. Information on loans extended by the Development Loan Fund and under the authority of the Agricultural Trade Development and Assistance Act is shown in separate schedules.

The following table gives data on loans made from current mutual security obligational authority for both dollars and related foreign currencies in millions of dollars and dollar equivalents:

	1960 actual	1961 estimate	1962 estimate
Loan obligations incurred:			
U.S. currency.....	45	26	10
Foreign currency.....	5	--	5
Loan disbursements made:			
U.S. currency.....	69	50	33
Foreign currency.....	41	29	20
Loan principal repayments:			
U.S. currency.....	25	27	32
Foreign currency.....	1	2	4
Interest collections:			
U.S. currency.....	38	48	51
Foreign currency.....	11	14	19

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued

Current authorizations—Continued

ECONOMIC ASSISTANCE—Continued

The table below shows the status of loans in millions of dollars at the end of the respective years. The bulk of the loans outstanding were made to European countries in the early years of the European recovery program and are repayable in dollars:

End of year	1959 actual	1960 actual	1961 estimate	1962 estimate
Loans outstanding.....	2,387	2,471	2,521	2,538
Undisbursed loan obligations.....	232	172	119	81
Interest past due.....	(1)	1		

¹ Less than \$1 million.

4. *Other programs.*—Other programs include U.S. contributions to various international agencies, minor bilateral programs, and the costs of administering activities under the Mutual Security Act and related acts.

The United States assists in moving surplus populations and refugees from Europe and helps recent escapees from the Soviet bloc through contributions to the Intergovernmental Committee for European Migration and the United Nations High Commissioner for Refugees, as well as the U.S. escapee program.

Through its contribution to the United Nations children's fund (UNICEF), the United States joins with other contributors in improving the health and welfare of children and mothers, primarily in underdeveloped areas. The U.S. contribution to the United Nations Relief and Works Agency (UNRWA) assists in providing essential care and maintenance for the Arab refugees displaced in Palestine. Through the atoms for peace program the United States makes available to other countries the benefits derived from peaceful use of atomic science.

The United States along with other member countries contributes to the NATO science program, which provides for the exchange of scientists among the NATO countries and an advanced institutes program.

It is anticipated that administrative expense funds will be used by the International Cooperation Administration in Washington and in some 85 overseas locations for administering economic assistance programs and by the Department of State for personnel involved in coordinating and conducting policy review of the entire mutual security program in Washington and abroad and for other functions. The Office of the Inspector General and Comptroller, Mutual Security, State, conducts activities involving financial management, investigations, and evaluations of all mutual security programs. These activities have been financed during 1960 and 1961 from a management fund appearing below. Starting with 1962 it is proposed that it be financed from the appropriation Administrative and other expenses (State).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	57,585	62,119	67,061
Positions other than permanent.....	690	936	1,055
Other personnel compensation.....	6,724	6,065	6,728
Total personnel compensation.....	65,000	69,121	74,844
12 Personnel benefits.....	8,055	8,523	9,063
21 Travel and transportation of persons.....	12,231	13,479	14,527

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION—Continued			
22 Transportation of things.....	39,233	40,884	41,547
23 Rent, communications, and utilities.....	6,571	7,475	8,064
24 Printing and reproduction.....	784	869	962
25 Other services.....	74,452	75,614	78,363
Services of other agencies.....	15,266	16,279	16,796
26 Supplies and materials.....	601,369	549,197	550,539
31 Equipment.....	154,613	155,327	155,699
33 Investments and loans.....	43,000	25,500	15,000
41 Grants, subsidies, and contributions.....	242,562	142,926	201,895
Unvouchered.....	3	20	21
Total, International Cooperation Administration.....	1,263,138	1,105,213	1,167,320
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	9,253	8,207	9,821
Positions other than permanent.....	387	356	371
Other personnel compensation.....	746	678	825
Total personnel compensation.....	10,386	9,241	11,017
12 Personnel benefits.....	633	665	796
21 Travel and transportation of persons.....	1,518	1,532	1,855
22 Transportation of things.....	8,166	7,100	7,104
23 Rent, communications, and utilities.....	113	125	142
24 Printing and reproduction.....	51	136	164
25 Other services.....	13,216	2,301	6,659
Services of other agencies.....	7,119	12,339	7,843
26 Supplies and materials.....	24,751	1,073	1,099
31 Equipment.....	5,287	1,490	1,415
32 Lands and structures.....	1,225		
41 Grants, subsidies, and contributions.....	102,501	89,990	93,715
Subtotal.....	174,966	125,992	131,809
Deduct—			
Quarters and subsistence charges.....	1	1	1
Portion of foregoing obligations originally charged to other object classes under International Cooperation Administration:			
Department of Agriculture.....	11,992	12,262	12,318
Department of Commerce.....	4,549	6,311	6,450
Department of Defense:			
Military:			
Army.....	28,639		
Navy.....	1,339		
Corps of Engineers—Civil.....	60		
Farm Credit Administration.....	37	45	45
Federal Communications Commission.....	132	132	132
National Science Foundation.....	57	57	57
Department of Health, Education, and Welfare.....	6,391	7,902	7,964
Housing and Home Finance Agency.....	295	542	547
Department of the Interior.....	2,896	3,662	4,051
Department of Labor.....	2,986	2,827	3,064
Federal Aviation Agency.....	6,386		
United States Information Agency.....	23		
Total, allocation accounts.....	109,183	92,251	97,180
Total obligations.....	1,372,321	1,197,464	1,264,500
Obligations are distributed as follows:			
International Cooperation Administration.....	1,263,138	1,105,213	1,167,320
Department of Defense—Military:			
Army.....	1,061	500	500
Atomic Energy Commission.....	1,754	665	2,750
Department of Commerce.....	155	167	166
Department of State.....	106,213	90,919	93,764

Personnel Summary

INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions.....	11,185	12,041	12,857
Full-time equivalent of other positions.....	52	82	87
Average number of all employees.....	10,401	10,998	11,695

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION—Continued			
Number of employees at end of year.....	10,378	11,159	12,105
Average GS grade.....	8.7	8.8	8.8
Average GS salary.....	\$7,239	\$7,932	\$7,955
Average grade, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service reserve.....	4.1	4.1	4.1
Foreign Service staff.....	11.1	11.1	11.1
Average salary, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service reserve.....	\$10,476	\$11,177	\$11,290
Foreign Service staff.....	\$4,926	\$5,273	\$5,306
Average salary of ungraded positions.....	\$1,775	\$2,045	\$2,045
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	1,274	1,061	1,170
Full-time equivalent of other positions.....	60	48	45
Average number of all employees.....	1,259	1,038	1,186
Number of employees at end of year.....	1,194	1,069	1,175
Average GS grade.....	8.3	8.1	8.4
Average GS salary.....	\$6,776	\$7,173	\$7,497
Average grade, grades established by the Director, International Cooperation Administration (68 Stat. 833).....	5.0	5.4	5.4
Average salary, grades established by the Director, International Cooperation Administration (68 Stat. 833).....	\$10,473	\$10,670	\$10,801
Average grade, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service officer.....	4.5	4.8	4.1
Foreign Service reserve.....	1.0	1.0	2.9
Foreign Service staff.....	8.1	7.9	9.1
Average salary, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service officer.....	\$9,958	\$10,299	\$11,895
Foreign Service reserve.....	\$17,826	\$19,261	\$13,762
Foreign Service staff.....	\$6,888	\$7,660	\$6,824
Average salary of ungraded positions.....	\$2,333	\$2,361	\$2,549

CONTINGENCIES

President's special authority and contingency fund: For assistance authorized by section 451(b), \$250,000,000: *Provided*, That none of the funds appropriated in this paragraph shall be used for any project or activity for which an estimate has been submitted to Congress and which estimate has been rejected: *Provided further*, That none of the funds appropriated in this paragraph may be used to finance contributions to the United Nations for a program in any country in Africa in excess of 40 per centum of the total contributions to the United Nations for such program. (*Mutual Security and Related Agencies Appropriation Act, 1961: authorizing legislation to be proposed for 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Contingencies:			
1. Europe and Africa.....	9,257	} 248,473	250,000
2. Near East and South Asia.....	53,222		
3. Far East.....	57,664		
4. Latin American.....	10,118		
5. Nonregional programs.....	3,970		
Total obligations.....	134,231	248,473	250,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward (annual appropriation act).....	-183	-473	
Unobligated balance transferred from "Economic assistance" (68 Stat. 849) (annual appropriation act).....	-337		
Recoveries of prior year obligations.....	-10,431		
Unobligated balance carried forward (annual appropriation act).....	473		
New obligational authority.....	123,753	248,000	250,000
New obligational authority:			
Appropriation.....	155,000	250,000	250,000
Transferred to—			
"Economic assistance" (74 Stat. 870).....		-2,000	
"Military assistance," Department of Defense—Military (69 Stat. 438).....	-31,247		
Appropriation (adjusted).....	123,753	248,000	250,000

This is a special fund, rather than a separate category of aid, which is used to meet requirements for which no specific provision can be made in the regular categories of assistance because requirements are uncertain or unknown at the time the budget is prepared. As an illustration, the rapid increase in newly independent countries may pose problems to which response should be made in the interests of the United States—yet the dimensions of funding requirements cannot at this time be predicted with accuracy. These funds can be used for both economic and military assistance. While in past years, they were used to meet unforeseen economic requirements, a portion was required to meet military assistance needs in 1960.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation: Permanent positions.....	10		
21 Travel and transportation of persons.....	2		
22 Transportation of things.....	230		
23 Rent, communications, and utilities.....	1		
25 Other services.....	26,221		
Services of other agencies.....	170		
26 Supplies and materials.....	48,245		
31 Equipment.....	24,312		
33 Investments and loans.....	6,500		
41 Grants, subsidies, and contributions.....	31,070		
Undistributed.....		248,473	250,000
Subtotal.....	136,761	248,473	250,000
Deduct—			
Department of Defense—Military: Army.....	535		
Department of Commerce.....	1,319		
Federal Aviation Agency.....	415		
Department of Health, Education, and Welfare.....	236		
Department of the Interior.....	25		
Total obligations.....	134,231	248,473	250,000
Obligations are distributed as follows:			
International Cooperation Administration.....	130,050	} 248,473	250,000
Department of State.....	4,181		

**MUTUAL SECURITY—ECONOMIC
AND CONTINGENCIES—Continued**

Current authorizations—Continued

CONTINGENCIES—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	2		
Average number of all employees.....	2		
Number of employees at end of year.....	1		
Average GS grade.....	5.0		
Average GS salary.....	\$4,056		
Average grade, grades established by the Director, International Cooperation Administration (68 Stat. 833).....	3.0		
Average salary, grades established by the Director, International Cooperation Administration (68 Stat. 833).....	\$12,834		

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Foreign Currencies, Mutual Security

Program and Financing (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Military purposes:			
(a) Projects.....	25,319	23,288	12,644
(b) Budget support.....	22,258	22,310	19,274
(c) Military procurement.....	9,004	3,502	
2. Economic purposes:			
(a) Projects.....	71,680	71,869	60,291
(b) Budget support.....	11,847	11,879	10,791
(c) Procurement for third countries.....	10,590	9,382	7,000
Total obligations.....	150,698	142,230	110,000
Financing:			
Unobligated balance brought forward.....	-139,928	-155,504	-126,274
Recovery of prior year obligations.....	-141		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	-2,439		
Unobligated balance carried forward.....	155,504	126,274	112,274
Unobligated balance lapsing.....	1		
Authorization to expend foreign currency receipts (permanent).....	163,695	113,000	96,000

A part of the mutual security dollar appropriations is to be used to purchase agricultural surplus commodities which are then to be sold to friendly countries for their currencies. Local currencies accruing from these sales 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 (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
26 Supplies and materials.....	686	1,382	
33 Investments and loans.....	8,569	9,000	8,000
41 Grants, subsidies, and contributions.....	129,920	118,980	102,000
Total, International Cooperation Administration.....	139,175	129,362	110,000
DEPARTMENT OF DEFENSE—MILITARY			
25 Other services.....	6,523	9,866	
26 Supplies and materials.....	3,000	500	
31 Equipment.....	2,000	2,502	
Total, Department of Defense—Military.....	11,523	12,868	
Total obligations.....	150,698	142,230	110,000

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	137,660	98,385	79,115
Obligations incurred during year, net.....	150,557	142,230	110,000
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	-2,439		
Obligated balance carried forward.....	-98,385	-79,115	-59,033
Expenditures.....	187,394	161,500	130,082
Expenditures are distributed as follows:			
Sec. 402, Mutual Security Act of 1954.....	180,209	155,604	126,456
Sec. 502, Mutual Security Act of 1954.....	7,015	4,757	2,867
Sec. 505(a), Mutual Security Act of 1954.....	170	1,139	759

Foreign Currency Realized Under the Agricultural Trade Development and Assistance Act, as Amended (7 U.S.C. 1704, 104 (c), (e) and (g))

Program and Financing (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Procurement for the common defense.....	70,720	26,252	25,000
2. Promoting balanced economic development and trade among nations.....	38,390	110,000	140,000
3. Loans for multilateral trade and economic development.....	130,566	400,000	455,000
Total obligations.....	239,676	536,252	620,000
Financing:			
Unobligated balance brought forward.....	-834,447	-1,347,884	-2,185,025
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	10,152		
Unobligated balance carried forward.....	1,347,884	2,185,025	2,115,025
Authorization to expend foreign currency receipts (permanent).....	763,265	1,373,393	550,000

A portion of the foreign currencies received from the sale of agricultural surplus commodities under this act is allocated to the Department of Defense for procurement

for the common defense and to the International Cooperation Administration for activities supporting the common defense and to promote economic development and international trade as indicated below.

Object Classification (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
33 Investments and loans.....	130,566	400,000	455,000
41 Grants, subsidies, and contributions.....	82,439	130,000	165,000
Total, International Cooperation Administration.....	213,005	530,000	620,000
DEPARTMENT OF DEFENSE			
25 Other services.....	20,671	4,752	-----
26 Supplies and materials.....	4,000	1,000	-----
31 Equipment.....	2,000	500	-----
Total, Department of Defense.....	26,671	6,252	-----
Total obligations.....	239,676	536,252	620,000

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	466,161	388,560	463,868
Obligations incurred during year, net.....	239,676	536,252	620,000
Adjustments due to changes in exchange rates to permit conversion to dollar equivalents.....	-3,463	-----	-----
Obligated balance carried forward.....	-388,560	-463,868	-543,368
Expenditures.....	313,814	460,944	540,500

Status of Unfunded Allocations (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	1,101,287	864,323	1,234,094
Allocations.....	763,265	1,373,393	319,163
Adjustments due to changes in exchange rates to permit conversion to dollar equivalents.....	-54	-----	-----
Unfunded balance carried forward.....	-864,323	-1,234,094	-728,257
Transfers into agency account (total).....	1,000,175	1,003,622	825,000

Foreign Currency Realized Under the Agricultural Trade Development and Assistance Act, as Amended (7 U.S.C. 1704, 104 (d) and (f))

Program and Financing (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase of goods or services for other countries.....	19,513	4,453	-----
Contribution for Polish children's hospital.....	50	-----	-----
Total obligations.....	19,563	4,453	-----
Financing:			
Unobligated balance brought forward.....	-1,951	-4,453	-----

Program and Financing (in thousands of dollar equivalents)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward.....	4,453	-----	-----
Unobligated balance lapsing.....	203	-----	-----
Authorization to expend foreign currency receipts (permanent).....	22,268	-----	-----

A portion of the foreign currencies received from the sale of agricultural surplus commodities is used by the International Cooperation Administration to finance the purchase abroad of goods and services for other friendly countries.

Object Classification (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	50	-----	-----
26 Supplies and materials.....	2,393	559	-----
33 Investments and loans.....	933	233	-----
41 Grants, subsidies, and contributions.....	16,187	3,661	-----
Total obligations.....	19,563	4,453	-----

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	4,624	19,718	9,474
Obligations incurred during year, net.....	19,563	4,453	-----
Obligated balance carried forward.....	-19,718	-9,474	-----
Expenditures.....	4,469	14,697	9,474

Status of Unfunded Allocations (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	3,449	3,054	-----
Allocations.....	22,268	-----	-----
Unfunded balance carried forward.....	-3,054	-----	-----
Unfunded balance lapsing.....	-203	-----	-----
Transfers into agency account.....	22,460	3,054	-----

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriation, "Military assistance, Department of Defense."

Public enterprise funds:

CORPORATION

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 current fiscal year for such corporation, except as herein-after provided:

DEVELOPMENT LOAN FUND

For advances to the Development Loan Fund as authorized by section 203, [\$550,000,000] \$700,000,000, to remain available until expended. (Mutual Security and Related Agencies Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued

Public enterprise funds—Continued

DEVELOPMENT LOAN FUND—Continued

Program and Financing (in thousands of dollars)

	APPROPRIATED FUNDS			Foreign currencies (in dollar equivalents)			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Program by activities:									
1. Direct loans.....	522,100	575,000	690,000		10,000	20,000	522,100	585,000	710,000
2. Guaranteed loans.....	250	20,000	30,000				250	20,000	30,000
Total loan commitments.....	522,350	595,000	720,000		10,000	20,000	522,350	605,000	740,000
Reservations, beginning of year.....	212,250	355,950	250,950			5,000	212,250	355,950	255,950
Reservations, end of year (—).....	—355,950	—250,950	—250,950		—5,000	—10,000	—355,950	—255,950	—260,950
Total loan and guarantee program.....	378,650	700,000	720,000		5,000	15,000	378,650	705,000	735,000
3. Administration.....	1,690	1,892	2,250				1,690	1,892	2,250
4. Other expense.....	80	400					80	400	
Total obligations.....	380,420	702,292	722,250		5,000	15,000	380,420	707,292	737,250
Financing:									
Amounts becoming available:									
Appropriation.....	550,000	550,000	700,000				550,000	550,000	700,000
Collection of loans.....	320	1,520	4,500	7,350	12,850	26,925	7,670	14,370	31,425
Fees for guarantees earned.....	67	100	600				67	100	600
Interest earned.....	1,963	3,380	6,400	5,179	17,650	28,075	7,142	21,030	34,475
Proceeds from sale of foreign currencies.....	828	4,087	9,700	—828	—4,087	—9,700			
Net gain on foreign currency holdings.....				55			55		
Recovery of prior year obligations.....	1,401						1,401		
Total amounts becoming available.....	554,579	559,087	721,200	11,756	26,413	45,300	566,335	585,500	766,500
Unobligated balance brought forward:									
Reserved.....	212,250	355,950	250,950			5,000	212,250	355,950	255,950
Unreserved.....	13,428	43,887	5,682	665	12,421	28,834	14,093	56,308	34,516
Total amounts available.....	780,257	958,924	977,832	12,421	38,834	79,134	792,678	997,758	1,056,966
Unobligated balance carried forward (—):									
Reserved.....	—355,950	—250,950	—250,950		—5,000	—10,000	—355,950	—255,950	—260,950
Unreserved.....	—43,887	—5,682	—4,632	—12,421	—28,834	—54,134	—56,308	—34,516	—58,766
Financing applied to program.....	380,420	702,292	722,250		5,000	15,000	380,420	707,292	737,250

The Development Loan Fund extends loans, credits and guarantees to American or foreign individuals, businesses, financial institutions, or to foreign governments in order to provide capital for projects and programs contributing to the economic growth of less developed free countries.

To be eligible for DLF financing, an activity must be located in one of the less developed friendly countries and there must be a reasonable prospect that the loan will be repaid. DLF considers (1) the availability of other free-world financing on reasonable terms, (2) soundness of the activity, (3) contribution to development of economic resources, and (4) possible adverse effects upon the U.S. economy with the understanding that loan assistance will be most effective in countries where there is a clear willingness to take sound self-help measures, and where such assistance is consistent with long-term economic development objectives. The DLF is administered to avoid competing with either private investment capital, the Export-Import Bank of Washington, the International

Bank for Reconstruction and Development, or other international financial institutions.

Budget program.—As of June 30, 1960, the Fund had approved a total of 149 loans and 2 guarantees for development assistance in 44 countries, amounting to slightly less than \$1.4 billion. These loans cover power, irrigation, transportation, industry, and other projects contributing to economic development. About three-quarters of the loans have been for railways, roads, electric-power generation and transmission, multipurpose irrigation, power and flood control projects, manufacturing and industrial development, and industrial development banks.

As of June 30, 1960, agreements resulting in formal obligation of funds had been signed with borrowers for 117 loans and 2 guarantees totaling \$1,000.6 million. As the DLF is a new institution experiencing only its second full year of operations in 1960, and as the rate of completion of major projects extends over a period of years, expenditures under loans have not yet reached sizable levels. However, 1960 net expenditures of \$202.4 million reflected a significant increase over 1959.

It is estimated that loan approvals, loan agreements, and expenditures will all increase in 1961 and 1962.

DATA ON DEVELOPMENT LOAN FUND LENDING ACTIVITY

[Dollars in millions]

	1959 actual	1960 actual	1961 estimate	1962 estimate
Loans and guarantees approved (net):				
Number.....	76	52	60	70
Amount.....	\$568.2	\$522.4	\$605.0	\$740.0
Loan and guarantee agreements signed.....	521.2	378.7	700.0	720.0
Loan disbursements.....	65.6	202.9	281.4	432.8
Principal repayments:				
Dollars.....		.3	1.5	4.5
Foreign currency.....	.8	7.4	12.9	26.9
Loans outstanding June 30.....	67.0	262.1	529.2	930.6
Undisbursed loans and guarantees June 30.....	556.2	730.7	1,154.3	1,456.5

Financing.—The Fund is financed by means of appropriations totaling \$1.95 billion through 1961. In addition, financing is provided by receipts from operations.

Repayment of loan principal and payment of interest may be made either in dollars or local currencies as specified in loan agreements. The Fund's foreign currency receipts are made available for sale by the Treasury, and dollar proceeds become available to the Fund. Other available revenue is anticipated from fees received from borrowers for issuance of loan guarantees.

Operating results.—Revenue from interest and fees in 1960 included \$2 million in dollars and \$12.5 million in dollar equivalents of foreign currencies. Such revenue is expected to increase to about \$3.5 million in dollars and \$17.7 million in foreign currencies for 1961 and to about \$7 million in dollars and \$28.1 million in foreign currencies for 1962. A total of \$0.8 million was realized in dollars during 1960 from sales of the Fund's foreign currency holdings. This amount is expected to increase to \$4.1 million in 1961 and \$9.7 million in 1962. All earnings will be retained for future lending.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans: Dollar loans:			
Receivable in dollars.....	50,397	56,200	86,385
Receivable in foreign currencies (in dollar equivalents).....	152,461	225,221	345,910
Foreign currency loans—receivable in foreign currencies (in dollar equivalents).....			500
Acquisition of equipment.....	64	40	35
Expense.....	1,683	2,250	2,215
Increase in selected working capital:			
Dollars.....	949	376	1,655
Foreign currencies (in dollar equivalents).....	11,756	26,413	44,800
Total gross expenditures.....	217,310	310,500	481,500
Receipts from operations (funds provided):			
Repayment of loans:			
Dollars.....	320	1,520	4,500
Foreign currencies (in dollar equivalents).....	7,350	12,850	26,925
Revenue:			
Interest:			
Dollars.....	1,963	3,380	6,400
Foreign currencies (in dollar equivalents).....	5,179	17,650	28,075
Fees for guarantees.....	67	100	600
Increase in value of foreign currencies.....	79		
Total receipts from operations.....	14,958	35,500	66,500
Budget expenditures.....	202,352	275,000	415,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Dollars:			
Interest on loans.....	1,963	3,380	6,400
Fees on guarantees.....	67	100	600
Foreign currencies (in dollar equivalents):			
Interest on loans.....	5,179	17,650	28,075
Increase in value of foreign currencies.....	79		
Total revenue.....	7,288	21,130	35,075
Expense.....	1,700	2,268	2,235
Net operating income for the year.....	5,588	18,862	32,840
Nonoperating income or loss (—):			
Proceeds from sale of foreign currencies.....	828	4,087	9,700
Net book value of assets sold.....	—852	—4,087	—9,700
Net gain or loss (—) from sale.....	—24		
Net income for the year.....	5,564	18,862	32,840
Retained earnings or deficit (—), beginning of year.....	—384	5,180	24,042
Retained earnings, end of year.....	5,180	24,042	56,882

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,129,659	1,404,659	1,689,659
Foreign currencies in banks (in dollar equivalents).....	9,727	30,009	67,102
Loans receivable:			
Dollar loans:			
Receivable in dollars.....	75,733	130,413	212,298
Receivable in foreign currencies (in dollar equivalents).....	186,407	398,778	717,764
Foreign currency loans: Receivable in foreign currencies (in dollar equivalents).....			500
Interest receivable:			
Dollars.....	1,134	1,500	3,200
Foreign currencies (in dollar equivalents).....	2,694	8,825	16,532
Other accounts receivable.....	3		
Furniture and equipment, net.....	103	125	140
Total assets.....	1,405,460	1,974,309	2,707,194
Liabilities:			
Current.....	229	245	290
Deferred income.....	29		
Total liabilities.....	258	245	290
Government investment:			
Non-interest-bearing capital:			
Start of year.....	850,022	1,400,022	1,950,022
Appropriations during year.....	550,000	550,000	700,000
End of year.....	1,400,022	1,950,022	2,650,022
Retained earnings or deficit.....	5,180	24,042	56,882
Total Government investment.....	1,405,202	1,974,064	2,706,904

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	782,010	1,129,659	1,404,659	1,689,659
Obligated balance net:				
Current liabilities.....	216	229	245	290
Deferred income.....	45	29		

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued

Public enterprise funds—Continued

DEVELOPMENT LOAN FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)—Continued

	1959 actual	1960 actual	1961 estimate	1962 estimate
Obligated balance net—Continued				
Undisbursed program obligations:				
Dollar loans:				
Repayable in dollars.....	94,262	115,265	195,065	246,680
Repayable in foreign currencies (in dollar equivalents).....	457,486	612,020	930,799	1,136,889
Foreign currency loans: Repayable in foreign currencies (in dollar equivalents).....			5,000	19,500
Guaranteed loans.....	4,500	3,400	23,400	53,400
Unpaid undelivered orders.....	13	15	18	18
Interest receivable (—):				
Receivable in dollars.....	—188	—1,134	—1,500	—3,200
Receivable in foreign currencies (in dollar equivalents).....	—335	—2,694	—8,825	—16,532
Other accounts receivable (—):				
Foreign currencies in banks (in dollar equivalents) (—).....	—330	—9,727	—30,009	—67,102
Total obligated balance.....	555,667	717,401	1,114,193	1,369,943
Unobligated balances distributed as follows:				
Dollars:				
Reserved.....	212,250	355,950	250,950	250,950
Unreserved.....	13,428	43,887	5,682	4,632
Subtotal.....	225,678	399,837	256,632	255,582
Foreign currencies (in dollar equivalents):				
Reserved.....			5,000	10,000
Unreserved.....	665	12,421	28,834	54,134

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Analysis of Foreign Currency Cash Transactions (in thousands of dollars)¹

	1960 actual	1961 estimate	1962 estimate
Foreign currency balance brought forward:			
Obligated.....			5,000
Unobligated.....	330	9,727	25,009
Subtotal.....	330	9,727	30,009
Collections.....	10,170	24,369	47,293
Gain on foreign currency holdings.....	55		
Sales for dollars.....	—828	—4,087	—9,700
Expenditures.....			—500
Total foreign currency balance carried forward.....	9,727	30,009	² 67,102

¹ On a cash basis (excludes interest receivable.)

² Includes foreign currency unobligated balance of \$47,602 thousand.

LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Not to exceed **[\$1,800,000]** \$2,250,000 of the funds of the Development Loan Fund shall be available during the current fiscal year for administrative expenses of the Fund covering the categories set forth in the current fiscal year budget estimates for such expenses: *Provided, That 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 Fund or in which it has an interest, which property or interest has been acquired as a result of its financing activities, including expenses of collections of pledged collateral, shall be considered as non-administrative expenses for the purposes hereof. (Mutual Security and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative expenses (total program costs ¹).....	1,686	1,890	2,250
Relation of costs to obligations:			
Selected resources at end of year: Unpaid undelivered orders.....	15	18	18
Selected resources at start of year (—): Unpaid undelivered orders.....	—13	—15	—18
Adjustment of selected resources at start of year.....	2	—1	-----
Total obligations.....	1,690	1,892	2,250
Financing:			
Unobligated balance lapsing.....	130	-----	-----
Limitation.....	1,820	1,800	2,250
Proposed increase in limitation due to pay increases.....	-----	92	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	778	1,205	1,434
Positions other than permanent.....	22	20	25
Other personnel compensation.....	105	51	38
Total personnel compensation.....	905	1,276	1,497
12 Personnel benefits.....	59	101	120
21 Travel and transportation of persons.....	93	104	160
23 Rent, communications, and utilities.....	141	180	216
24 Printing and reproduction.....	63	39	26
25 Other services.....	47	42	68
Services of other agencies.....	302	91	99
26 Supplies and materials.....	21	24	27
31 Equipment.....	59	35	37
Total obligations.....	1,690	1,892	2,250

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	124	155	184
Full-time equivalent of all other positions.....	2	2	2
Average number of all employees.....	93	145	166
Number of employees at end of year.....	117	154	180
Average GS grade.....	9.7	9.5	9.5
Average GS salary.....	\$7,628	\$8,340	\$8,401

¹ Includes capital outlay as follows: 1960, \$64 thousand; 1961, \$40 thousand; 1962, \$35 thousand.

FOREIGN INVESTMENT GUARANTEE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by Activities:			
1. Guarantees issued against the risk of inconvertibility.....	22,868	58,000	58,000
2. Guarantees issued against the risk of loss by expropriation.....	29,466	140,000	140,000
3. Guarantees issued against the risk of loss by war.....	676	2,000	2,000
Total guarantees issued.....	53,010	200,000	200,000
Less amount not obligated under fractional reserve basis.....	—39,757	—150,000	—150,000
Total obligations (object class 33).....	13,253	50,000	50,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available:			
Fees collected.....	1,356	2,200	2,400
Recovery of prior year obligations.....	17,883	15,000	15,000
Total amounts becoming available.....	19,239	17,200	17,400
Unobligated balance brought forward (authorization to expend from public debt receipts).....	73,684	79,670	46,870
Total amounts available.....	92,923	96,870	64,270
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-79,670	-46,870	-14,270
Financing applied to program.....	13,253	50,000	50,000

The investment guarantee program encourages and facilitates private American investment in economically underdeveloped areas of the world. It provides guarantee protection against loss from the following noncommercial risks: (a) inconvertibility of local currency receipts from the investment; (b) expropriation or confiscation of all or part of the investment; and (c) war damage. The guarantees, which have a maximum term of 20 years, are now available in any economically underdeveloped country whose government has agreed with the U.S. Government to institute the program. A total of 49 countries and their overseas dependent territories have participated through October 1960. Negotiations for agreements with other countries are continuing.

Budget program.—Obligations of the program after June 30, 1956, are based on a fractional reserve, which is 25% of total guarantees issued and outstanding since that date. Guarantees issued prior to June 30, 1956, were issued with 100% backing. Guarantees to be issued during 1962 are estimated at \$200 million. Under the fractional reserve basis, this would require obligations of \$50 million in 1962 to support the guarantees issued in that year.

Financing.—The reserve funds for the program against which obligations are made come from the following three sources, and these sources would be used for payment of claims in the order given:

(a) Revenue from a fee of approximately 0.5% charged the investor for guarantee protection provided.

(b) Money recovered from the sale of assets or local currency acquired by the U.S. Government as a result of a loss due to payment of a claim.

(c) Borrowing authority given the program by the Congress.

Operating results and administration.—The fund has sustained no loss and no claims are pending. Fees collected through June 30, 1960, are \$5.4 million and are carried forward as retained earnings as a reserve against possible future loss. The fund bears no expense. Administrative expenses are paid from funds appropriated for general administrative expenses of the economic assistance programs and allocated to the International Cooperation Administration.

POSITION WITH RESPECT TO GUARANTEE ISSUING AUTHORITY

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Authorized guarantee issuing authority.....	1,000,000	1,000,000	1,000,000
Recovery of prior year guarantee issuing authority (cumulative).....	113,963	137,963	161,963
Gross guarantee issuing authority.....	1,113,963	1,137,963	1,161,963
Guarantees issued (cumulative):			
Guarantees issued against the risk of inconvertibility.....	269,403	327,403	385,403
Guarantees issued against the risk of loss by expropriation.....	231,628	371,628	511,628
Guarantees issued against the risk of loss by war.....	676	2,676	4,676
Total guarantees issued.....	501,707	701,707	901,707
Unused guarantee issuing authority.....	612,256	436,256	260,256

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Revenue.....	1,356	2,200	2,400
Budget expenditures.....	-1,356	-2,200	-2,400

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Guarantees issued against the risk of inconvertibility: Revenue.....	465	700	775
Guarantees issued against the risk of loss by expropriation: Revenue.....	888	1,488	1,610
Guarantees issued against the risk of loss by war: Revenue.....	3	12	15
Net income for the year.....	1,356	2,200	2,400
Retained earnings, beginning of year.....	4,050	5,406	7,606
Retained earnings, end of year.....	5,406	7,606	10,006

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	5,406	7,606	10,006
Government investment:			
Retained earnings.....	5,406	7,606	10,006

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	4,050	5,406	7,606	10,006
Budget authorization.....	199,072	199,072	199,072	199,072
Total unexpended balance.....	203,121	204,477	206,677	209,078
Obligated balance, net: Undisbursed guaranteed obligations.....	-129,437	-124,807	-159,807	-194,808
Unobligated balance.....	73,684	79,670	46,870	14,270

Note.—Guarantees outstanding net of those expired, reduced, and revoked are as follows: actual 1959, \$369,478; actual 1960, \$387,744; estimate 1961, \$563,744; estimate 1962, \$748,744.

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued

Intragovernmental funds:

EXPENSES, INSPECTOR GENERAL AND COMPTROLLER, MUTUAL SECURITY, STATE

[Office of the Inspector General and Comptroller: Not to exceed \$1,200,000 of the funds appropriated in this title shall be available to carry out the provisions of section 533A of the Mutual Security Act of 1954, as amended.] (Mutual Security and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Evaluation, investigation, and financial management (total obligations).....	868	1,201	
Financing:			
Unobligated balance brought forward.....		1	
Advances and reimbursements from other accounts.....	869	1,200	
Unobligated balance carried forward.....	-1		
Total financing.....	868	1,201	

The Office of Inspector General and Comptroller, Mutual Security, is organizationally located in the Department of State and operates under authority of Section 533(a) of the Mutual Security Act of 1954.

Beginning in 1962 this program will be financed from the appropriation Administrative and other expenses (State) shown above. In 1960 and 1961 the expenses of the Office were funded in this account through expenditure transfers from various mutual security appropriations. Estimated requirements from the various appropriations are as follows (in thousands of dollars):

	1960 actual	1961 estimate
Defense support.....	75	100
Technical cooperation, general authorization.....	20	100
Special assistance, general authorization.....	25	200
Military assistance.....	50	400
Development Loan Fund.....	80	400
President's special authority and contingency fund.....	100	
President's fund for Asian economic development.....	139	
Ocean freight charges, U.S. voluntary relief agencies.....	380	
Total.....	869	1,200

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	489	719	
Positions other than permanent.....	7	4	
Other personnel compensation.....	38	65	
Total personnel compensation.....	534	788	
12 Personnel benefits.....	51	63	
21 Travel and transportation of persons.....	129	184	
22 Transportation of things.....	1	35	
23 Rent, communications, and utilities.....	1		
24 Printing and reproduction.....	1	1	
25 Other services.....	6	4	
Services of other agencies.....	121	122	
26 Supplies and materials.....	2	2	
31 Equipment.....	22	2	
Total obligations.....	868	1,201	

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	116	88	
Average number of all employees.....	52	73	
Number of employees at end of year.....	87	63	
Average GS grade.....	12.0	12.0	
Average GS salary.....	\$8,440	\$9,130	
Average grade, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service officer.....	1.0	2.0	
Foreign Service reserve.....	2.2	3.3	
Foreign Service staff.....	11.0	11.4	
Average salary, grades established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service officer.....	\$17,469	\$14,979	
Foreign Service reserve.....	\$13,166	\$13,058	
Foreign Service staff.....	\$4,650	\$5,276	

ADVANCES AND REIMBURSEMENTS, ECONOMIC ASSISTANCE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Defense support.....	840	250	250
2. Technical cooperation.....	960	325	325
3. Special assistance.....	63	280	
4. Administrative expenses.....	1,071	733	720
Total obligations.....	2,934	1,588	1,295
Financing:			
Advances and reimbursements from—			
Other accounts.....	2,773	1,438	1,175
Non-Federal sources (40 U.S.C. 481(c)).....	161	150	120
Total financing.....	2,934	1,588	1,295

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	336	164	120
Positions other than permanent.....	6	16	
Other personnel compensation.....	6	1	
Total personnel compensation.....	348	181	120
12 Personnel benefits.....	31	12	9
21 Travel and transportation of persons.....	35	25	15
23 Rents, communications, and utilities.....	50	50	50
24 Printing and reproduction.....	6	6	6
25 Other services.....	374	249	170
Services of other agencies.....	1,880	900	800
26 Supplies and materials.....	42	35	25
31 Equipment.....	168	130	100
Total obligations.....	2,934	1,588	1,295

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	76	15	11
Full-time equivalent of other positions.....	1	1	
Average number of all employees.....	40	13	10
Number of employees at end of year.....	27	10	10
Average GS grade.....	9.6	10.7	8.8
Average GS salary.....	\$8,030	\$9,284	\$7,419
Average grade established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service reserve.....	2.8	1.1	1.0
Foreign Service staff.....	10.6		
Average salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign Service reserve.....	\$12,555	\$17,816	\$18,146
Foreign Service staff.....	\$5,178		

Proposed for later transmission:

DEVELOPMENT LOAN FUND

Program and Financing (in thousands of dollars)

	APPROPRIATED FUNDS		
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Direct loans.....		144,925	
2. Guaranteed loans.....		5,000	
Total loan commitments.....		149,925	
Reservations, beginning of year.....			100,000
Reservations, end of year (-).....		-100,000	
Total loan and guarantee program.....		49,925	100,000
3. Administration.....		75	
Total obligations.....		50,000	100,000
Financing:			
Amounts becoming available:			
Appropriation.....		150,000	
Fees for guarantees earned.....			100
Interest earned.....			90
Total amounts becoming available.....		150,000	190
Unobligated balance brought forward.....			100,000
Total amounts available.....		150,000	100,190
Unobligated balance carried forward:			
Reserved.....		-100,000	
Unreserved.....			-190
Financing applied to program.....		50,000	100,000

Note.—In addition, interest of \$360 thousand (in dollar equivalents) is estimated to be generated in foreign currencies.

Under existing legislation, 1961.—It is anticipated that a supplemental appropriation of \$150 million will be sought under existing authorization. The Development Loan Fund under current plans will have virtually exhausted its available capital by February. Additional funds will permit the lending program to proceed without delay.

LIMITATION ON ADMINISTRATIVE EXPENSES, DEVELOPMENT LOAN FUND

Under existing legislation, 1961.—An increase in the limitation is anticipated for 1961 in an amount of \$75,000 to provide for increased administrative costs including those related to the anticipated supplemental appropriation of \$150 million for loans.

GENERAL PROVISIONS

【Sec. 101. (a) Within sixty days following the date of enactment of this Act, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a report containing a full and complete revision of the data presented to such committees in justification of appropriations requested for the mutual security program for the fiscal year 1961, showing any changes in such program approved subsequent to such presentation, including changes necessary to reflect actual appropriations for the program.】

【(b) Within thirty days following the approval of any change in the mutual security program for the fiscal year 1961, which will result in furnishing assistance of a kind, for a purpose, in an area, or in an amount, different from that described in the report transmitted under subsection (a), and which involves \$1,000,000 or more, or 5 per centum of the amount appropriated under any paragraph of this title whichever is the lesser, the President shall transmit to the Committee on Appropriations of the Senate and the Committee on Appropriations of the House of Representatives a full and complete report of such change and the reasons therefor.】

【(c) This section shall not apply to programs authorized by section 451 of the Mutual Security Act of 1954, as amended.】

【(d) *Sec. 101.* None of the funds herein appropriated shall be used to carry out any provision of chapter II, III, or IV of the Mutual Security Act of 1954, as amended, in any country or with respect to any project or activity, after the expiration of the thirty-five day period which begins on the date the General Accounting Office or any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering mutual security legislation, appropriations, or expenditures, has delivered to the office of the head of any department or agency carrying out such provision, a written request that it be furnished any document, paper, communication, audit, review, finding, recommendation, report, or other material in its custody or control relating to the administration of such provision in such country or with respect to such project or activity, unless and until there has been furnished to the General Accounting Office, or to such committee or subcommittee, as the case may be, (1) the document, paper, communication, audit, review, finding, recommendation, report or other material so requested, or (2) a certification by the President that he has forbidden the furnishing thereof pursuant to such request, and his reason for so doing.

【Sec. 102. None of the funds herein appropriated for Defense Support, the Development Loan Fund, Special Assistance, or the President's Special Authority and Contingency Fund shall be used to finance the construction of any new flood control, reclamation, or other water or related land resource project or program which has not met the standards and criteria used in determining the feasibility of flood control, reclamation and other water and related land resource programs and projects proposed for construction within the United States of America as per circular A-47 of the Bureau of the Budget, dated December 31, 1952.】

【Sec. 103. Obligations made from funds herein appropriated for engineering and architectural fees and services to any individual or group of engineering and architectural firms on any one project in excess of \$25,000 shall be reported to the Committees on Appropriations of the Senate and House of Representatives at least twice annually.】

【Sec. 104. 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 title shall be obligated and/or reserved during the last month of availability.】

【Sec. 105. None of the funds herein appropriated nor any of the counterpart funds generated as a result of assistance hereunder 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. 106. None of the funds herein appropriated shall be used to finance any of the activities under the Investment Incentive Fund Program.】

Sec. 【107】 102. 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. 【108】 103. It is the sense of Congress that any attempt by foreign nations to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is repugnant to our principles; and in all negotiations between the United States and any foreign state arising as a result of funds appropriated under this title and funds appropriated pursuant to chapter I of the Mutual Security Act of 1954, as amended, these principles shall be applied as the President may determine.

【Sec. 109. The appropriations and authority with respect thereto in this Act shall be available from July 1, 1960, for the purposes provided in such appropriations and authority. All obligations incurred during the period between June 30, 1960, 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 thereof.】

Sec. 【110】 104. None of the funds provided in this title or appropriated pursuant to chapter I of the Mutual Security Act of 1954, as amended, shall be available for assistance to any country, the

MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES—Continued

GENERAL PROVISIONS—Continued

government of which sells arms, ammunition, or implements of war to the Castro regime, or which furnishes, by grant or loan, any military or economic aid to that regime, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest.

SEC. [111] 105. None of the funds provided in this title or appropriated pursuant to chapter I of the Mutual Security Act of 1954, as amended, shall be available for assistance to any country the government of which sells arms, ammunition, or implements of war to any country in Latin America being subjected to economic or diplomatic sanctions by the Organization of American States, unless the President determines that the withholding of such assistance to such country would be contrary to the national interest. (*Mutual Security and Related Agencies Appropriation Act, 1961; authorizing legislation to be proposed for 1962.*)

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

Note.—The appropriation under this head has been transferred to the United States Information Agency in the independent offices chapter.

SPECIAL FOREIGN CURRENCY PROGRAMS

TRANSLATION OF PUBLICATIONS AND SCIENTIFIC COOPERATION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	1,696	3,114	-----
Unobligated balance brought forward.....	-4,809	-3,114	-----
Unobligated balance carried forward.....	3,114	-----	-----
New obligational authority (appropriation)	-----	-----	-----

This program is being administered by the National Science Foundation under Salaries and expenses and Salaries and expenses (special foreign currency program) and by the Department of Agriculture under Salaries and expenses, Agricultural Research Service (special foreign currency program), as indicated by the above comparative transfers.

TRANSITIONAL GRANTS TO ALASKA

Current authorizations:

TRANSITIONAL GRANTS TO ALASKA

For grants to the State of Alaska to assist in accomplishing an orderly transition from Territorial status to statehood and to facilitate the assumption of responsibilities hitherto performed in Alaska by the Federal Government, and for expenses of providing Federal services or facilities in Alaska for an interim period, as authorized by law (73 Stat. 151), \$6,000,000. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants to Alaska.....	9,938	5,407	6,000
2. Operation and maintenance of intermediate airports.....	546	593	-----
Total obligations	10,484	6,000	6,000
Financing:			
Unobligated balance lapsing.....	16	-----	-----
New obligational authority (appropriation)	10,500	6,000	6,000

Section 44 of the Alaska Omnibus Act (73 Stat. 151) authorizes grants to the State of Alaska for a 5-year period ending June 30, 1964, to facilitate assumption by the State of responsibilities hitherto performed in Alaska by the Federal Government.

These funds are to enable the President (a) to make grants to the State to assist in financing functions transferred from the Federal Government, and (b) to finance continued Federal operations for an interim period when the State requests a delay in transfer of functions. In June 1959, the State requested that the Federal Government continue operation of 17 primary and intermediate airports, and allocations were made to the Federal Aviation Agency for this purpose.

The \$6 million requested for 1962 is the maximum authorized by law.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
TRANSITIONAL GRANTS TO ALASKA			
Reserved for future allocations.....	-----	-----	6,000
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	215	233	-----
Other personnel compensation.....	62	68	-----
Total personnel compensation	277	300	-----
12 Personnel benefits.....	15	18	-----
21 Travel and transportation of persons.....	24	33	-----
22 Transportation of things.....	38	22	-----
23 Rent, communications, and utilities.....	17	18	-----
25 Other services.....	72	107	-----
26 Supplies and materials.....	112	107	-----
41 Grants, subsidies, and contributions.....	9,938	5,407	-----
Subtotal	10,493	6,012	-----
Deduct quarters and subsistence charges.....	9	12	-----
Total obligations	10,484	6,000	6,000
Obligations are distributed as follows:			
Reserved for future allocations.....	-----	-----	6,000
Bureau of the Budget.....	9,938	5,407	-----
Federal Aviation Agency.....	562	593	-----

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	33	33	-----
Average number of all employees.....	29	29	-----
Number of employees at end of year.....	28	29	-----
Average salary of ungraded positions.....	\$6,871	\$6,871	-----

INTER-AMERICAN COOPERATION

Proposed for later transmission:

INTER-AMERICAN SOCIAL AND ECONOMIC COOPERATION PROGRAM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Development and technical assistance (total obligations).....		500,000	-----
Financing:			
New obligational authority (proposed supplemental appropriation).....		500,000	-----

Under existing legislation, 1961.—A supplemental appropriation is anticipated to implement sections 1 and 2 of 74 Stat. 869, which authorizes \$500 million for the Inter-American Social and Economic Cooperation Program.

MISCELLANEOUS

Permanent authorizations:

DEFENSE AID, SPECIAL FUND

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-85	-85	-85
Unobligated balance carried forward.....	85	85	85
New obligational authority (appropriation)			

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign Currency Realized Under the Agricultural Trade Development and Assistance Act, as Amended (7 U.S.C. 1704)

[In thousands of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Balance brought forward.....	818,558	994,609	1,008,595
Recoveries from prior allocations:			
Balances of allocations transferred to appropriations as of June 30, 1960.....	72,870	-----	-----
Other.....	15,606	1,267	-----

Foreign Currency Realized Under the Agricultural Trade Development and Assistance Act, as Amended (7 U.S.C. 1704)—Continued

[In thousands of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Sales agreements entered into.....	1,138,000	1,750,000	1,000,000
Subtotal.....	2,045,034	2,745,876	2,008,595
Sales by Treasury to appropriations and funds:			
Regular appropriations and funds.....	71,910	86,369	74,508
Appropriations for special foreign currency programs.....	458	30,019	45,696
Authorized for use by agencies with long-term reimbursement to Commodity Credit Corporation: Department of Defense: Construction.....	3,948	-----	-----
Total to be realized in dollars.....	76,316	116,388	120,204
Adjustment to market rate for Treasury sales and allocations for U.S. uses.....	44,844	70,000	70,000
Other adjustments.....	5,095	50,000	35,000
Authorizations for use by agencies without reimbursement to Commodity Credit Corporation:			
Mutual security program.....	763,265	1,373,393	550,000
Export-Import Bank.....	98,659	127,500	100,000
United States Information Agency.....	10,298	-----	-----
Department of Agriculture:			
Agricultural Research Service.....	11,025	-----	-----
Foreign Agricultural Service.....	6,078	-----	-----
Commodity Credit Corporation.....	100	-----	-----
Department of Defense—Military:			
Operation and maintenance.....	1,500	-----	-----
Department of State:			
Educational exchange.....	33,037	-----	-----
Counterpart fund, sec. 708(c), Public Law 118, July 16, 1953.....	208	-----	-----
Total adjustments and authorizations for free use.....	974,109	1,620,893	755,000
Balance carried forward.....	994,609	1,008,595	1,133,391

Title I of the Agricultural Trade Development and Assistance Act of 1954 authorizes the sale of surplus agricultural commodities to friendly nations for their currencies, with reasonable precautions neither to displace U.S. sales for dollars nor to disrupt unduly world commodity prices. Such sales may include up to \$1.5 billion of commodities a year, plus unused prior authority. The Commodity Credit Corporation finances the costs. The foreign currencies generated by these sales may be used (a) to help develop new markets for U.S. 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 U.S. 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

MISCELLANEOUS—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued

abroad, (m) to finance participation in trade fairs and related activities, (n) to acquire books from abroad, (o) to aid American educational institutions abroad, (p) to support workshops and chairs in American studies, (q) to provide emergency relief, and (r) to finance audiovisual materials and programs.

Most of the currencies are used for grants to and loans in the foreign country without charge to appropriations. Some are sold to appropriations covering normal diplomatic, defense, and other operations overseas or in the case of excess or restricted currencies, to special foreign currency program appropriations. 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, 1961, it is estimated agreements will have been signed calling for deposits of sales proceeds totaling \$6.4 billion. This will represent the market value of commodities and ocean transportation in which the Commodity Credit Corporation investment will be approximately \$9.5 billion.

Schedules covering special currency programs are included in the budgets for mutual security program, Export-Import Bank, National Science Foundation, United States Information Agency, and the Departments of Agriculture, Commerce, Defense, Health, Education, and Welfare, Interior, and State. These schedules do not cover use of currencies for sale to regular appropriations.

INDEPENDENT OFFICES
BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS									
Current authorizations:									
Salaries and expenses.....	610	50	144	375	35	149	363	355	
ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION									
Current authorizations:									
Salaries and expenses.....	518				119	106			
AMERICAN BATTLE MONUMENTS COMMISSION									
Current authorizations:									
Salaries and expenses.....	106	1,295	1,320	1,360	1,288	1,300	1,340	1,200	
Construction of memorials and cemeteries.....	106				1,585	1,100	600		
Total, American Battle Monuments Commission.....		1,295	1,320	1,360	2,873	2,400	1,940	1,200	
ATOMIC ENERGY COMMISSION									
Current authorizations:									
Operating expenses.....	066	2,387,114	2,456,210	2,423,100	2,398,899	2,415,000	2,415,000	1,471,688	
Reappropriation.....	066	152,558	120,817						
Plant acquisition and construction.....	066	262,500	204,250	174,950	223,939	245,000	265,000	26,000	
Public enterprise funds:									
Defense production guarantees.....	518				-12				
Intragovernmental funds:									
Advances and reimbursements.....	066				121				
Total, Atomic Energy Commission.....		2,802,172	2,781,277	2,598,050	2,622,947	2,660,000	2,680,000	1,497,688	
CENTRAL INTELLIGENCE AGENCY									
Current authorizations:									
Construction.....	605				11,807	17,115	9,000		
CIVIL AERONAUTICS BOARD									
Current authorizations:									
Salaries and expenses.....	519	6,925	7,392	460	8,950	6,832	7,747	8,800	8,234
Payments to air carriers (liquidation of contract authorization).....	512	(58,500)	(65,000)		(81,700)	60,395	65,000	81,700	
Permanent authorizations:									
Payments to air carriers (contract authorization) (indefinite).....	512	62,349	89,374		84,235				
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Payments to air carriers (liquidation of contract authorization).....	512			(21,944)			21,944		
Total, Civil Aeronautics Board.....		69,274	96,766	460	93,185	67,227	94,691	90,500	8,234
CIVIL SERVICE COMMISSION									
Current authorizations:									
Salaries and expenses.....	606	19,158	19,505	1,256	21,829	19,067	20,613	21,759	20,375
Investigation of United States citizens for employment by international organizations.....	608	362	400		438	370	401	434	368
Annuities under special acts.....	606	2,450	2,316		2,248	2,299	2,328	2,260	2,084
Government payment for annuitants, employees health benefits fund.....	606		2,500		5,450		2,500	5,450	5,450
Government contributions, retired employees health benefits fund.....	606				20,900			20,900	20,900

1 To carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
CIVIL SERVICE COMMISSION—Continued									
Current authorizations—Continued									
Payment to civil service retirement and disability fund.....	606		46,329		44,637		46,329	44,637	44,637
Limitation on administrative expenses, employees health benefits fund (trust fund).....					(1,148)				
Limitation on administrative expenses, employees life insurance fund (trust fund).....		(249)	(250)	(10)	(262)				
Intragovernmental funds:									
Investigations (revolving fund).....	606					-340	151	-49	
Advances and reimbursements, President's Committee on Fund Raising Within the Federal Service.....	606					-2	3		
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Government contributions, retired employees health benefits fund.....	606			1,750			1,750		
Under proposed legislation: Payment to civil service retirement and disability fund.....	606				-44,637			-44,637	-44,637
Total, Civil Service Commission.....		21,970	71,050	3,006	50,865	21,393	74,075	50,754	49,177
COMMISSION ON CIVIL RIGHTS									
Current authorizations:									
Salaries and expenses.....	608	780	850	38	302	778	874	386	302
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE									
Current authorizations:									
Salaries and expenses.....	610					25			
EXPORT-IMPORT BANK OF WASHINGTON									
Public enterprise funds:									
Export-Import Bank of Washington fund.....	152					-314,061	-96,978		
Limitation on administrative expenses.....		(2,500)	(2,675)	(22)	(2,750)				
Liquidation of certain Reconstruction Finance Corporation assets.....	152					-9,118	-3,029	-4,271	
Total, Export-Import Bank of Washington.....						-323,180	-100,007	-4,271	
FARM CREDIT ADMINISTRATION									
Permanent authorizations:									
Administrative expenses (indefinite special fund).....	352	2,373	2,589		2,590	2,212	2,589	2,590	2,400
Limitation on administrative expenses.....		(2,310)	(2,480)	(109)	(2,590)				
Public enterprise funds:									
Federal Farm Mortgage Corporation fund.....	352					-1,671	-1,737	-662	
Federal intermediate credit banks investment fund.....	352					6,250	9,000	8,000	
Production credit associations investment fund.....	352					-1,445	2,200	2,000	
Banks for cooperatives investment fund.....	352					-8,460	-8,052	-8,000	
Total, Farm Credit Administration.....		2,373	2,589		2,590	-3,114	4,000	3,928	2,400
FEDERAL AVIATION AGENCY									
Current authorizations:									
Operations.....	512	318,700	373,064	15,100	441,000	297,845	372,000	427,000	387,700
Facilities and equipment.....	512	118,200	163,250	1,350	126,000	99,375	105,000	122,000	56,700
Grants-in-aid for airports (liquidation of contract authorization).....	512	(57,500)	(80,000)		(70,000)	55,720	81,152	80,000	
Research and development.....	512	48,725	64,000	480	65,000	36,889	40,000	58,000	28,000
Operation and maintenance, National Capital airports.....	512				6,000				
Operation and maintenance, Washington National Airport.....	512	2,400	3,230			2,512	5,381	6,426	5,733
Operation and maintenance, Dulles International Airport.....	512		2,450						
Construction, National Capital airports.....	512				8,000	185	3,564	5,458	4,400
Construction, Washington National Airport.....	512		4,500						
Construction and development, additional Washington airport.....	512	22,470				13,655	30,726	28,500	
Claims, Federal Airport Act.....	512					55	21		
Construction of public airports in Alaska.....	512						3		
Operation and maintenance of public airports in Alaska.....	512					318			
Grants-in-aid for airports, Federal Airport Act.....	512					1,393	2,153	2,153	

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
FEDERAL AVIATION AGENCY—Continued									
Permanent authorizations:									
Grants-in-aid for airports (contract authorization).....	512	63,000	63,000	-----	-----	-----	-----	-----	-----
Proposed for later transmission (other than pay increase supplementals):									
Under proposed legislation: Grants-in-aid for airports.....	512	-----	-----	-----	40,000	-----	-----	-----	-----
Total, Federal Aviation Agency.....		573,495	673,494	16,930	686,000	507,950	640,000	729,537	482,533
FEDERAL COAL MINE SAFETY BOARD OF REVIEW									
Current authorizations:									
Salaries and expenses.....	211	70	70	-----	70	53	70	70	67
FEDERAL COMMUNICATIONS COMMISSION									
Current authorizations:									
Salaries and expenses.....	519	10,550	13,085	704	12,525	10,367	12,250	13,500	11,169
FEDERAL HOME LOAN BANK BOARD									
Public enterprise funds:									
Federal Home Loan Bank Board revolving fund.....	517	-----	-----	-----	-----	-----	-----	-----	-----
Limitation on administrative expenses.....		(1,800)	(1,943)	(128)	(1,725)	} 255	-439	-232	-----
Limitation on nonadministrative expenses.....		(7,700)	(8,341)	(478)	(10,366)				
Federal Savings and Loan Insurance Corporation fund.....	517	-----	-----	-----	-----	} -20,426	-34,731	-64,186	-----
Limitation on administrative expenses.....		(775)	(800)	(57)	(890)				
Home Owners' Loan Corporation fund.....	517	-----	-----	-----	-----	4	4	4	-----
Proposed for later transmission (other than pay increase supplementals):									
Under proposed legislation: Federal Savings and Loan Insurance Corporation fund: Temporary premium rate increase.....	517	-----	-----	-----	-----	-----	-----	-----	-164,000
Total, Federal Home Loan Bank Board.....		-----	-----	-----	-----	-20,167	-35,166	-228,414	-----
FEDERAL MEDIATION AND CONCILIATION SERVICE									
Current authorizations:									
Salaries and expenses.....	211	3,905	3,905	261	4,388	3,846	4,201	4,370	4,125
FEDERAL POWER COMMISSION									
Current authorizations:									
Salaries and expenses.....	401	7,218	7,664	500	8,793	7,148	8,095	8,780	8,213
Permanent authorizations:									
Payments to States under Federal Power Act (indefinite special fund).....	401	55	67	-----	57	59	55	67	-----
Total, Federal Power Commission.....		7,273	7,731	500	8,850	7,207	8,150	8,847	8,213
FEDERAL TRADE COMMISSION									
Current authorizations:									
Salaries and expenses.....	519	6,840	7,508	502	9,640	6,751	7,958	9,540	9,040
FOREIGN CLAIMS SETTLEMENT COMMISSION									
Current authorizations:									
Salaries and expenses.....	610	408	485	21	725	424	503	701	673
Payment of Korean claims.....	610	6	-----	-----	-----	6	-----	-----	-----
Total, Foreign Claims Settlement Commission.....		414	485	21	725	429	503	701	673
GENERAL ACCOUNTING OFFICE									
Current authorizations:									
Salaries and expenses.....	604	41,800	41,150	1,029	43,000	38,178	40,893	42,931	39,358

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
HISTORICAL AND MEMORIAL COMMISSIONS									
Current authorizations:									
Boston National Historic Sites Commission	405	20				19	2		
Civil War Centennial Commission	610	100	104		100	100	104	100	85
Franklin Delano Roosevelt Memorial Commission	610	150				15	141		
Hudson-Champlain Celebration Commission	610	25				53			
James Madison Memorial Commission	610		10				10		
Jamestown-Williamsburg-Yorktown Celebration Commission	610					7			
Lincoln Sesquicentennial Commission	610	145				229	55		
Theodore Roosevelt Centennial Commission	610					4			
United States Territorial Expansion Memorial Commission	610	5							
Reappropriation	610		4				5		
Total, historical and memorial commissions		444	118		100	428	317	100	85
INDIAN CLAIMS COMMISSION									
Current authorizations:									
Salaries and expenses	602	180	196	10	280	176	200	285	269
INTERSTATE COMMERCE COMMISSION									
Current authorizations:									
Salaries and expenses	519	19,650	20,138	1,313	22,200	19,405	21,998	22,114	21,318
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
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION									
Current authorizations:									
Salaries and expenses	513	90,850	170,760		¹ 189,986	91,024	170,000	189,000	172,000
Research and development	513	333,100	617,915		¹ 819,819	255,641	508,000	645,000	345,000
Construction of facilities	513	99,625	126,325		¹ 99,825	54,356	90,000	106,000	20,000
Construction and equipment, unitary plan	513					13			
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Research and development	513			49,606			2,000	25,000	
Total, National Aeronautics and Space Administration		523,575	915,000	49,606	1,109,630	401,033	770,000	965,000	537,000
NATIONAL CAPITAL HOUSING AUTHORITY									
Current authorizations:									
Operation and maintenance of properties	516	40	40		40	43	40	40	36
NATIONAL CAPITAL PLANNING COMMISSION									
Current authorizations:									
Salaries and expenses	609	400	408	27	573	374	435	573	519
Land acquisition, National Capital park, parkway, and playground system	609	2,286	250		1,400	920	2,000	2,603	1,400
Salaries and expenses, Washington regional mass transportation survey	609					43			
Total, National Capital Planning Commission		2,686	658	27	1,973	1,337	2,435	3,176	1,919
NATIONAL CAPITAL TRANSPORTATION AGENCY									
Current authorizations:									
Salaries and expenses	609		250		975		227	949	926
NATIONAL LABOR RELATIONS BOARD									
Current authorizations:									
Salaries and expenses	211	15,280	17,300	913	18,880	14,650	18,048	18,800	17,298

¹ To carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
NATIONAL MEDIATION BOARD									
Current authorizations:									
Salaries and expenses.....	211	1,437	1,555	49	1,604	1,377	1,576	1,604	1,444
NATIONAL SCIENCE FOUNDATION									
Current authorizations:									
Salaries and expenses:									
(Promotion of education in the sciences).....	214	69,073	69,945		73,908	56,820	65,135	68,568	38,658
(Promotion of scientific research).....	215	85,700	105,855		136,092	62,537	88,858	118,432	60,042
Salaries and expenses (special foreign currency program).....	215				2,000			1,000	1,000
International Geophysical Year.....	215					822	819		
Public enterprise funds:									
Research and development of rubber program.....	215					-2			
Intragovernmental funds:									
Advances and reimbursements.....	215					142	188		
Total, National Science Foundation.....		154,773	175,800		212,000	120,319	155,000	188,000	99,700
OUTDOOR RECREATION RESOURCES REVIEW COMMISSION									
Current authorizations:									
Salaries and expenses.....	405	850	950		550	495	1,250	695	550
RAILROAD RETIREMENT BOARD									
Current authorizations:									
Limitation on salaries and expenses (trust fund).....		(9,460)	(9,485)	(300)	(9,740)				
RENEGOTIATION BOARD									
Current authorizations:									
Salaries and expenses.....	604	2,850	2,870	145	3,000	2,769	3,024	3,000	2,790
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION									
Public enterprise funds:									
Saint Lawrence Seaway Development Corporation fund.....	401					6,122	3,200	2,000	
Limitation on administrative expenses.....		(414)	(414)		(425)				
SECURITIES AND EXCHANGE COMMISSION									
Current authorizations:									
Salaries and expenses.....	519	8,100	8,912	605	10,915	8,126	9,362	10,865	10,325
SELECTIVE SERVICE SYSTEM									
Current authorizations:									
Salaries and expenses.....	211	29,278	32,828	341	34,475	28,577	32,795	34,514	32,000
SMALL BUSINESS ADMINISTRATION									
Current authorizations:									
Salaries and expenses.....	518	4,940	5,597	346	6,630	3,768	6,436	6,437	4,268
Grants for research and management counseling (special fund).....	518					2,028	800	900	
Public enterprise funds:									
Revolving fund:									
(Business loans) (current appropriation).....	518	150,000	39,600		17,200	59,369	61,411	87,695	
(Disaster loans and relief) (current appropriation).....	521		10,400		2,800	-2,427	9,549	3,257	
Reconstruction Finance Corporation liquidation fund.....	518					-2,349	-838	-777	
Total, Small Business Administration.....		154,940	55,597	346	26,630	60,389	77,358	97,512	4,268
SMITHSONIAN INSTITUTION									
Current authorizations:									
Salaries and expenses.....	215	7,718	7,768	300	9,275	7,880	7,974	9,268	7,936
Additions to the Natural History Building.....	215		13,500		5,310	261	1,300	10,000	468
Remodeling of Civil Service Commission Building.....	215				400			360	360
Museum of History and Technology.....	215					2,679	12,700	13,600	
Salaries and expenses, National Gallery of Art.....	215	1,834	1,848	66	1,932	1,776	1,961	1,932	1,816

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
SMITHSONIAN INSTITUTION—Continued									
Intragovernmental funds:									
Advances and reimbursements, Smithsonian Institution.....	215				3	20			
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Salaries and expenses.....	215		28			26	2		
Total, Smithsonian Institution.....		9,552	23,116	394	16,917	12,599	23,981	35,162	10,580
SUBVERSIVE ACTIVITIES CONTROL BOARD									
Current authorizations:									
Salaries and expenses.....	608	380	395		395	284	320	375	289
TARIFF COMMISSION									
Current authorizations:									
Salaries and expenses.....	151	2,135	2,455	156	2,770	2,088	2,565	2,762	2,576
TAX COURT OF THE UNITED STATES									
Current authorizations:									
Salaries and expenses.....	604	1,535	1,565	65	1,770	1,472	1,649	1,760	1,670
TENNESSEE VALLEY AUTHORITY									
Public enterprise funds:									
Tennessee Valley Authority fund:									
Current appropriation.....	401	14,904	20,520		29,703	11,848	54,985	103,345	29,703
Authorization to expend from debt receipts.....	401	750,000							
Total, Tennessee Valley Authority.....		764,904	20,520		29,703	11,848	54,985	103,345	29,703
UNITED STATES INFORMATION AGENCY									
Current authorizations:									
Salaries and expenses.....	153	101,557	102,557	2,864	110,600	100,708	103,500	108,937	94,775
Salaries and expenses (special foreign currency program).....	153	7,581	3,000		8,500		2,500	5,000	3,000
Special international program.....	153	6,145	7,186	92	9,000	7,436	7,800	8,300	6,302
Special international program (special foreign currency program).....	153		650		1,250		1,018	963	225
Acquisition and construction of radio facilities.....	153	9,000	8,740		7,580	2,971	5,000	11,000	2,200
Philippine-American Cultural Foundation.....	153		1,366				500	866	
Public enterprise funds:									
Informational media guarantee fund (current appropriation).....	153	2,750	3,692		3,550	2,187	4,538	3,397	450
Total, United States Information Agency.....		127,034	127,190	2,956	140,480	113,303	124,856	138,463	106,952
U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS									
Current authorizations:									
Salaries and expenses.....	401	740	1,550		1,380	565	1,450	1,500	1,160
U.S. STUDY COMMISSION—TEXAS									
Current authorization:									
Salaries and expenses.....	401	800	1,250	75	540	580	1,250	800	496
VETERANS ADMINISTRATION									
Current authorizations:									
General operating expenses.....	106	165,373	153,500	9,763	162,046	162,655	162,715	162,029	149,987
Medical administration and miscellaneous operating expenses.....	105	29,349	34,500	665	15,053	28,950	34,862	17,856	14,353
Medical care.....	105				1,009,171			940,782	940,782
Compensation and pensions.....	103	3,400,000	3,800,000		3,568,000	3,368,224	3,604,720	3,798,000	3,565,894
Readjustment benefits:									
(Education and training).....	101	453,488	213,129		71,578	382,623	233,129	128,040	69,323
(Other readjustment benefits).....	102	131,512	130,871		8,798	131,512	130,871	8,798	8,798
Veterans insurance and indemnities.....	104	53,000	48,800		39,200	50,475	48,039	44,582	39,200
Grants to the Republic of the Philippines.....	105	2,000	1,500		1,000	736	1,054	1,000	1,000

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
VETERANS ADMINISTRATION—Continued									
Current authorizations—Continued									
Construction of hospital and domiciliary facilities.....	105	31,659	75,000	75,000	56,845	63,000	66,000	8,100	
Inpatient care.....	105	800,889	821,206	33,705	791,429	848,113	57,912		
Outpatient care.....	105	83,866	86,481	3,553	83,068	89,196	6,543		
Maintenance and operation of supply depots.....	106	2,266	2,500	93	2,226	2,572	165		
Permanent authorizations:									
Veterans insurance and indemnities (indefinite general fund).....	104	691	650	655	691	650	655	655	
Public enterprise funds:									
Canteen service revolving fund.....	106				-762	208	-78		
Direct loans to veterans and reserves:									
Current authorization to expend from debt receipts.....	517	100,000			206,283	100,138	115,477		
Permanent authorization to expend from debt receipts.....	517	150,000	150,000	150,000					
Loan guarantee revolving fund.....	102						68,474		
Rental, maintenance, and repair of quarters.....	106				-29	6	-2		
Service-disabled veterans insurance fund.....	104				352	201	206		
Soldiers and sailors civil relief.....	102				103	245	6		
Veterans special term insurance fund.....	104				-18,503	-17,420	-18,139		
Vocational rehabilitation revolving fund.....	106				4	-5			
Intragovernmental funds:									
Supply fund.....	106				2,692	2,101	-22		
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation:									
General operating expenses.....	106			1,300		1,225	75		
Inpatient care.....	105			9,295		8,800	495		
Maintenance and operation of supply depots.....	106			50		47	3		
Under proposed legislation: Direct loans to veterans and reserves.....									
	517						-30,000		
Total, Veterans Administration.....		5,404,093	5,518,137	58,424	5,100,501	5,249,574	5,314,467	5,368,857	4,798,092
Total new obligational authority and budget expenditures.....		10,767,523	10,629,820	138,876	10,249,638	9,013,089	10,054,620	10,415,365	7,795,985
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		9,486,496	10,203,319	10,016,738	9,013,089	9,946,084	10,624,324	7,840,622	
Appropriations to liquidate contract authorizations.....		(116,000)	(145,000)	(151,700)					
Authorizations to expend from debt receipts.....		850,000							
Reappropriations.....		152,558	120,821						
Permanent authorizations:									
Appropriations.....		3,119	3,306	3,302					
Authorizations to expend from debt receipts.....		150,000	150,000	150,000					
Contract authorizations.....		125,349	152,374	84,235					
Proposed for later transmission:									
Pay increase supplemental appropriations.....			76,847			72,744	4,103		
Other:									
Appropriations.....			62,029	-4,637	35,792		-213,062	-44,637	
Appropriations to liquidate contract authorizations.....			(21,944)						
Total new obligational authority and budget expenditures.....		10,767,523	10,768,696	10,249,638	9,013,089	10,054,620	10,415,365	7,795,985	

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
ATOMIC ENERGY COMMISSION										
Defense production guarantees.....	518				12			-12		
EXPORT-IMPORT BANK OF WASHINGTON										
Export-Import Bank of Washington fund.....	152	470,604	544,882	698,543	784,665	641,860	698,543	-314,061	-96,978	
Liquidation of certain Reconstruction Finance Corporation assets.....	152	195	90	1	9,313	3,119	4,272	-9,118	-3,029	-4,271
Total, Export-Import Bank of Washington.....		470,799	544,972	698,544	793,979	644,979	702,815	-323,180	-100,007	-4,271
FARM CREDIT ADMINISTRATION										
Federal Farm Mortgage Corporation fund.....	352	3	5	4	1,674	1,742	666	-1,671	-1,737	-662
Federal intermediate credit banks investment fund.....	352	6,250	9,000	8,000				6,250	9,000	8,000
Production credit associations investment fund.....	352	60	3,500	4,000	1,505	1,300	2,000	-1,445	2,200	2,000
Banks for cooperatives investment fund.....	352				8,460	8,052	8,000	-8,460	-8,052	-8,000
Total, Farm Credit Administration.....		6,313	12,505	12,004	11,639	11,094	10,666	-5,326	1,411	1,338
FEDERAL HOME LOAN BANK BOARD										
Revolving fund.....	517	9,157	11,504	12,311	8,902	11,943	12,543	255	-439	-232
Federal Savings and Loan Insurance Corporation fund.....	517	31,506	23,706	1,925	51,932	58,437	66,111	-20,426	-34,731	-64,186
Proposed for later transmission.....	517						164,000			-164,000
Home Owners' Loan Corporation fund.....	517	4	4	4				4	4	4
Total, Federal Home Loan Bank Board.....		40,667	35,214	14,240	60,834	70,380	242,654	-20,167	-35,166	-228,414
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION										
Saint Lawrence Seaway Development Corporation fund.....	401	9,926	9,356	7,867	3,804	6,156	5,867	6,122	3,200	2,000
SMALL BUSINESS ADMINISTRATION										
Revolving fund:										
(Business loans).....	518	163,870	184,514	241,447	104,501	123,103	153,752	59,369	61,411	87,695
(Disaster loans and relief).....	521	8,511	20,499	15,867	10,938	10,950	12,610	-2,427	9,549	3,257
Reconstruction Finance Corporation liquidation fund.....	518	1,067	811	517	3,416	1,649	1,294	-2,349	-838	-777
Total, Small Business Administration.....		173,448	205,824	257,831	118,855	135,702	167,656	54,593	70,122	90,175
TENNESSEE VALLEY AUTHORITY										
Tennessee Valley Authority fund.....	401	280,686	346,248	419,308	268,838	291,263	315,963	11,848	54,985	103,345
UNITED STATES INFORMATION AGENCY										
Informational media guarantee fund.....	153	6,779	8,253	7,648	4,592	3,715	4,251	2,187	4,538	3,397
VETERANS ADMINISTRATION										
Canteen service revolving fund.....	106	38,584	41,158	41,256	39,346	40,950	41,334	-762	208	-78
Direct loans to veterans and reserves.....	517	308,664	210,489	244,008	102,381	110,351	128,531	206,283	100,138	115,477
Proposed for later transmission.....	517						30,000			-30,000
Loan guarantee revolving fund.....	102			125,474			57,000			68,474
Rental, maintenance, and repair of quarters.....	106	99	111	88	128	105	90	-29	6	-2
Service-disabled veterans insurance fund.....	104	6,039	6,406	7,271	5,687	6,205	7,065	352	201	206
Soldiers and sailors civil relief.....	102	110	247	8	7	2	2	103	245	6
Veterans special term insurance fund.....	104	8,030	8,736	8,798	26,533	26,155	26,937	-18,503	-17,420	-18,139
Vocational rehabilitation revolving fund.....	106	305	275	250	301	280	250	4	-5	
Total, Veterans Administration.....		361,831	267,422	427,153	174,383	184,048	291,209	187,448	83,373	135,944
Total, public enterprise funds.....		1,350,449	1,429,794	1,844,595	1,436,936	1,347,337	1,741,081	-86,487	82,456	103,514

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Alaska International Rail and Highway Commission	223	225	48	106				
Construction of memorials and cemeteries, American Battle Monuments Commission	3,685	5,153	2,460	3,568	2,000	2,468		168
Operating expenses, Atomic Energy Commission		815,244		835,012	53,927	997,039		1,005,139
Plant acquisition and construction, Atomic Energy Commission	209,916	515,158	182,831	553,718		519,268		429,218
Construction, Central Intelligence Agency	6,941	42,988	6,475	31,181	4,275	14,066	2,775	5,066
Salaries and expenses, Commission on International Rules of Judicial Procedure	25	25						
Administrative expenses, Farm Credit Administration	940	1,063	1,058	1,223	1,058	1,223	1,058	1,223
Operations, Federal Aviation Agency		26,650		40,473		56,637		70,637
Facilities and equipment, Federal Aviation Agency	76,735	211,706	87,704	230,531	107,273	290,131	91,973	294,131
Grants-in-aid for airports (liquidation of contract authorization), Federal Aviation Agency		9,372		11,152		10,000		
Research and development, Federal Aviation Agency	2,038	24,002	2,481	35,835		60,315		67,315
Construction, National Capital airports, Federal Aviation Agency	170	408	21	223	1,091	1,159	270	3,701
Construction and development, additional Washington airport, Federal Aviation Agency	31,420	52,519	29,450	61,333	2,100	30,608		2,108
Claims, Federal Airport Act, Federal Aviation Agency	4	94	4	25				
Salaries and expenses, Federal Communications Commission		604		767	1,000	2,306		1,331
Franklin Delano Roosevelt Memorial Commission	7	7	136	141				
Hudson-Champlain Celebration Commission	26	28						
Theodore Roosevelt Centennial Commission	4	4						
Salaries and expenses, National Aeronautics and Space Administration		9,767		7,914		8,674		9,660
Research and development, National Aeronautics and Space Administration	20,936	162,599	47,663	240,058	48,050	349,973	59,600	524,792
Construction of facilities, National Aeronautics and Space Administration	39,414	76,545	49,369	121,815	12,076	158,140	10,400	151,965
Construction and equipment, unitary plan, National Aeronautics and Space Administration	106	122						
Land acquisition, National Capital park, parkway, and playground system, National Capital Planning Commission	835	1,587	2,291	2,953		1,203		
Salaries and expenses, National Science Foundation	4,389	69,623	562	105,038		126,845		149,845
International Geophysical Year, National Science Foundation	1,708	1,750	48	867				
Salaries and expenses, Outdoor Recreation Resources Review Commission	75	89	104	445	20	145		
Grants for research and management counseling, Small Business Administration	25,644	27,546		1,865		1,064		164
Additions to Natural History Building, Smithsonian Institution	194	444	183	183	1,704	12,383	106	7,693
Remodeling of Civil Service Commission Building, Smithsonian Institution							10	40
Museum of History and Technology, Smithsonian Institution	32,804	33,267	7,296	30,587	3,495	17,888	1,325	4,288
Salaries and expenses, United States Information Agency		16,049		16,148		18,069		19,732
Salaries and expenses (special foreign currency program), United States Information Agency			4,788	7,581	1,586	8,081	168	11,581
Acquisition and construction of radio facilities, United States Information Agency	14,122	18,973	20,824	25,002	8,412	28,742		25,322
Special international program, United States Information Agency	1,862	3,927	1,192	2,637	552	2,115	526	2,815
General operating expenses, Veterans Administration		9,798		11,494		12,042		12,059
Medical administration and miscellaneous operating expenses, Veterans Administration	66	2,998	26	3,200		3,503		700
Medical care, Veterans Administration								68,389
Compensation and pensions, Veterans Administration	2,170	5,050	34,720	36,827	230,000	232,106		2,106
Readjustment benefits, Veterans Administration	5,665	7,852	76,463	78,716	56,463	58,717		2,254
Veterans insurance and indemnities, Veterans Administration	1,891	2,096	4,361	4,621	5,382	5,382		
Construction of hospital and domiciliary facilities, Veterans Administration	65,124	143,187	62,061	118,001	52,761	130,001	42,761	139,001
Inpatient care, Veterans Administration		44,236		51,126		57,912		
Outpatient care, Veterans Administration		5,531		5,705		6,543		
Other		23,886		22,447		23,792		21,896
Subtotal	549,138	2,372,172	624,619	2,700,518	593,225	3,248,540	210,972	3,034,339
Balances of anticipated pay increase supplementals included above						-4,103		
Total, appropriations	549,138	2,372,172	624,619	2,700,518	593,225	3,244,437	210,972	3,034,339

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Authorizations to expend from debt receipts:								
Export-Import Bank of Washington fund.....	3,175,481	4,077,400	3,126,185	4,368,800	2,845,803	4,443,300	2,598,346	4,420,800
Investment in Federal Deposit Insurance Corporation.....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Investment in Federal home loan banks.....	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 fund, Federal Home Loan Bank Board.....	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Saint Lawrence Seaway Development Corporation fund.....	25,812	27,500	19,534	21,846	15,271	18,645	14,043	16,645
Tennessee Valley Authority fund.....			666,307	750,000	544,765	700,000	456,041	560,000
Informational media guarantee fund, United States Infor- mation Agency.....	494	8,177	747	8,766	108	7,912	376	8,067
Total, authorizations to expend from debt receipts.....	7,951,787	8,863,077	8,562,772	9,899,412	8,155,947	9,919,857	7,818,806	9,755,512
Contract authorizations:								
Payments to air carriers, Civil Aeronautics Board.....		1,686		4,922		6,357		6,989
Grants-in-aid for airports, Federal Aviation Agency.....	47,924	128,500	28,721	134,000	21,721	117,000	6,721	47,000
Total, contract authorizations.....	47,924	130,186	28,721	138,922	21,721	123,357	6,721	53,989
Revolving and management funds:								
Defense production guarantees, Atomic Energy Commission.....	497	497	509	509				
Investigations (revolving fund), Civil Service Commission.....	3,682	3,438	3,788	3,772	3,778	3,595	3,803	3,636
Liquidation of certain Reconstruction Finance Corporation assets, Export-Import Bank of Washington.....	43		6	7	16			
Federal Farm Mortgage Corporation fund, Farm Credit administration.....	395	439	347	388	366	404	210	245
Federal intermediate credit banks investment fund, Farm Credit Administration.....	28,100	28,100	21,850	21,850	12,850	12,850	4,850	4,850
Production credit associations investment fund, Farm Credit Administration.....	56,135	56,135	57,580	57,580	55,380	55,380	53,380	53,380
Banks for cooperatives investment fund, Farm Credit Ad- ministration.....	51,119	51,119	59,579	59,579	67,632	67,632	75,632	75,632
Federal Home Loan Bank Board revolving fund.....	-56	481	-108	225	-152	664	-4	896
Federal Savings and Loan Insurance Corporation fund, Federal Home Loan Bank Board.....	305,346	312,349	323,558	332,775	358,459	367,506	422,687	431,692
Advances and reimbursements, National Science Foundation.....	70	330	18	188				
Revolving fund, Small Business Administration.....	145,998	187,628	229,956	280,686	170,609	259,726	79,012	188,774
Reconstruction Finance Corporation liquidation fund, Small Business Administration.....	1,632	2,220	1,077	1,169	476	507	383	384
Advances and reimbursements, Smithsonian Institution.....	11	23	9	20				
Tennessee Valley Authority fund.....	-5,595	73,955	5,979	77,011	5,416	40,822	2,955	57,180
Canteen service revolving fund, Veterans Administration.....	2,864	5,499	2,291	5,797	2,111	5,548	2,132	5,605
Direct loans to veterans and reserves, Veterans Administration.....	104,084	180,295	114,976	224,012	130,781	273,873	91,215	237,772
Loan guarantee revolving fund, Veterans Administration.....							4,897	7,000
Rental, maintenance, and repair of quarters, Veterans Ad- ministration.....	31	22	23	24	13	8	10	5
Service-disabled veterans insurance fund, Veterans Adminis- tration.....	765	1,154	-66	802	-449	601	-814	395
Soldiers and sailors civil relief, Veterans Administration.....	275	420	167	317	72	72	66	66
Veterans special term insurance fund, Veterans Adminis- tration.....	61,337	66,875	79,352	85,378	96,578	102,798	114,526	120,937
Vocational rehabilitation revolving fund, Veterans Ad- ministration.....	313	312	313	308	313	313	313	313
Supply fund, Veterans Administration.....	-1,502	11,398	-6,312	8,706	-8,133	6,478	-6,611	6,500
Other.....		2,138		1,611		1,547		1,501
Total, revolving and management funds.....	755,545	984,827	894,892	1,162,714	896,116	1,200,324	848,642	1,196,763
Proposed for later transmission:								
Appropriations, other than pay increase supplementals:								
Grants-in-aid for airports, Federal Aviation Agency.....							5,000	40,000
Research and development, National Aeronautics and Space Administration.....						47,606		22,606
Other.....						575		
Total, appropriations, other than pay increase supple- mentals.....						48,181	5,000	62,606
Anticipated pay increase supplemental appropriations.....						4,103		
Total, appropriations.....						52,284	5,000	62,606

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Proposed for later transmission—Continued								
Revolving and management funds:								
Federal Savings and Loan Insurance Corporation fund, Federal Home Loan Bank Board							164,000	164,000
Direct loans to veterans and reserves, Veterans Administration							30,000	30,000
Total, revolving and management funds							194,000	194,000
Total, proposed for later transmission						52,284	199,000	256,606
Total, independent offices	9,304,394	12,350,265	10,111,004	13,901,563	9,667,009	14,540,259	9,084,141	14,297,209

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	10,767,523	10,768,696	10,249,638
Unobligated balances brought forward, start of year	9,304,394	10,111,004	9,667,009
Transfers of unobligated balances from other agencies, net		6,300	
Unobligated balances rescinded (—)	—23,654		
Unobligated balances lapsing	—147,051	—3,934	934
Capital transfers from revolving funds to receipt accounts (—)	—28,099	—77,855	—76,350
Unobligated balances carried forward, end of year (—)	—10,111,004	—9,667,009	—9,084,141
Obligations incurred net	9,762,108	11,137,204	10,757,088
Obligated balances brought forward, start of year	3,045,871	3,790,559	4,873,250
Adjustments of obligated balances in expired accounts	—4,330	—1,000	—1,903
Transfers of obligated balances from other agencies, net		1,106	
Obligated balances carried forward, end of year (—)	—3,790,559	—4,873,250	—5,213,068
Budget expenditures	9,013,089	10,054,620	10,415,365

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Major national security:						
066 Development and control of atomic energy.....	2,802,172	2,781,277	2,598,050	2,622,959	2,660,000	2,680,000
International affairs and finance:						
151 Conduct of foreign affairs.....	2,135	2,611	2,770	2,088	2,565	2,762
152 Economic and financial assistance.....				-323,180	-100,007	-4,271
153 Foreign information and exchange activities.....	127,034	130,146	140,480	113,303	124,856	138,463
Total, international affairs and finance.....	129,169	132,757	143,250	-207,789	27,414	136,954
Veterans services and benefits:						
101 Veterans education and training.....	453,488	213,129	71,578	382,623	233,129	128,040
102 Other veterans readjustment benefits.....	131,512	130,871	8,798	131,615	131,116	77,278
103 Veterans compensation and pensions.....	3,400,000	3,800,000	3,568,000	3,368,224	3,604,720	3,798,000
104 Veterans insurance and servicemen's indemnities.....	53,691	49,450	39,855	33,015	31,470	27,304
105 Veterans hospitals and medical care.....	947,763	1,065,905	1,100,224	961,028	1,045,025	1,090,588
106 Other veterans services and administration.....	168,934	168,526	163,406	169,659	171,269	164,110
Total, veterans services and benefits.....	5,155,388	5,427,881	4,951,861	5,046,164	5,216,729	5,285,320
Labor and welfare:						
211 Labor and manpower.....	49,970	57,223	59,417	48,503	56,690	59,358
213 Promotion of public health.....	5	5	5	5	5	5
214 Promotion of education.....	69,073	69,945	73,908	56,820	65,135	68,568
215 Promotion of science, research, libraries, and museums.....	95,252	129,365	155,009	76,098	113,846	154,594
Total, labor and welfare.....	214,300	256,538	288,339	181,426	235,676	282,525
Agriculture and agricultural resources:						
352 Financing farm ownership and operation.....	2,373	2,589	2,590	-3,114	4,000	3,928
Natural resources:						
401 Conservation and development of land and water resources.....	773,717	31,626	40,473	26,322	69,035	116,492
405 Recreational use of natural resources.....	870	950	550	514	1,252	695
Total, natural resources.....	774,587	32,576	41,023	26,836	70,287	117,187
Commerce, housing, and space technology:						
512 Promotion of aviation.....	635,844	779,798	770,235	568,345	726,944	811,237
513 Space exploration and flight technology.....	523,575	964,606	1,109,630	401,033	770,000	965,000
516 Public housing programs.....	40	40	40	43	40	40
517 Other aids to housing.....	250,000	150,000	150,000	186,116	64,972	-142,937
518 Other aids to business.....	154,940	45,543	23,830	62,923	67,915	94,255
519 Regulation of commerce and finance.....	52,065	60,619	64,230	51,481	59,315	64,819
521 Disaster insurance, loans, and relief.....		10,400	2,800	-2,427	9,549	3,257
Total, commerce, housing, and space technology.....	1,616,464	2,011,006	2,120,765	1,267,514	1,698,735	1,795,671
General government:						
602 Judicial functions.....	180	206	280	176	200	285
604 Central fiscal operations.....	46,185	46,824	47,770	42,419	45,566	47,691
605 General property and records management.....				11,807	17,115	9,000
606 Central personnel management and employment costs.....	21,608	73,656	50,427	21,024	73,674	50,320
608 Protective services and alien control.....	1,522	1,683	1,135	1,432	1,595	1,195
609 Territories and possessions, and the District of Columbia.....	2,686	935	2,948	1,337	2,662	4,125
610 Other general government.....	888	768	1,200	898	967	1,164
Total, general government.....	73,069	124,072	103,760	79,093	141,779	113,780
Total, independent offices.....	10,767,523	10,768,696	10,249,638	9,013,089	10,054,620	10,415,365

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Act of September 24, 1959 (73 Stat. 703-706), **[\$115,000] \$375,000.**

[For an additional amount for "Salaries and expenses", \$28,500.]
(General Government Matters Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Intergovernmental relations.....	42	148	373
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-5	
Obligations incurred for costs of other years, net.....	7		2
Total obligations.....	48	144	375
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation).....	50	144	375

1. *Intergovernmental relations.*—This appropriation provides for continued attention by the Commission to interrelations of Federal, State, and local governments.

Representatives of the Federal, State, and local governments are brought together for consideration of common problems, and to provide a forum for discussing the administration and coordination of Federal grant and other programs requiring intergovernmental cooperation.

Proposed Federal and State legislative and administrative programs are developed to coordinate taxes at all levels in order to reduce tax overlapping and simplify the tax structure, and to reduce taxpayer-compliance costs and costs of tax administration.

Technical assistance is provided in the review of proposed legislation to determine its overall effect in the Federal system, and the most desirable allocations of governmental functions, responsibilities, and revenue among the several levels of government are recommended.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders are as follows: 1960, \$7 thousand; 1961, \$2 thousand; 1962, \$4 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	12	95	217
Positions other than permanent.....	4	7	16
Total personnel compensation.....	16	103	232
12 Personnel benefits.....	1	7	16
21 Travel and transportation of persons.....	9	17	36
22 Transportation of things.....			1
23 Rent, communications, and utilities.....	1	1	6
24 Printing and reproduction.....	1	6	26
25 Other services.....	3	5	26
Services of other agencies.....	3	3	16
26 Supplies and materials.....	2	1	5

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
31 Equipment.....	13		12
Total obligations.....	48	144	375

Personnel Summary

Total number of permanent positions.....	5	11	29
Full-time equivalent of other positions.....	1	1	2
Average number of all employees.....	2	11	26
Number of employees at end of year.....	5	11	29
Average GS grade.....	7.5	7.5	9.3
Average GS salary.....	\$5,478	\$6,727	\$7,598

ALASKA INTERNATIONAL RAIL AND HIGHWAY COMMISSION

Current authorizations:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Study of rail and highway routes (total obligations).....	175	48	
Financing:			
Unobligated balance brought forward.....	-223	-48	
Unobligated balance carried forward.....	48		
New obligational authority (appropriation).....			

The Commission was established to study the economic and military feasibility of additional rail and highway connections between the United States and Alaska. The final report will be submitted to Congress no later than June 1, 1961.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	24	25	
Positions other than permanent.....		1	
Other personnel compensation.....		2	
Total personnel compensation.....	24	28	
12 Personnel benefits.....	2	2	
21 Travel and transportation of persons.....	14	9	
23 Rent, communications, and utilities.....	1	1	
24 Printing and reproduction.....	2	7	
25 Other services.....	132	1	
Total obligations.....	175	48	

Personnel Summary

Total number of permanent positions.....	2	2	
Average number of all employees.....	2	2	
Number of employees at end of year.....	3	0	
Average salary of ungraded positions.....	\$11,752	\$12,480	

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 **[\$69,000]** \$77,000 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; **[\$1,320,000]** \$1,360,000: *Provided*, That where station allowance has been authorized by the Department of the Army for officers of the Army serving the Army at certain foreign stations, the same allowance shall be authorized for officers of the Armed Forces assigned to the Commission while serving at the same foreign stations, and this appropriation is hereby made available for the payment of such allowance: *Provided further*, That when traveling on business of the Commission, officers of the Armed Forces serving as members or as secretary of the Commission may be reimbursed for expenses as provided for civilian members of the Commission: *Provided further*, That the Commission shall reimburse other Government agencies, including the Armed Forces, for salary, pay, and allowances of personnel assigned to it. (36 U.S.C. 121-138b; General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program and activities:			
1. Administration.....	88	89	87
2. World War I memorials and cemeteries....	392	370	406
3. World War II memorials and cemeteries....	791	852	858
4. Latin-American memorials and cemeteries....	9	9	9
Total obligations.....	1,280	1,320	1,360
Financing:			
Unobligated balance lapsing.....	15		
New obligational authority (appropriation)	1,295	1,320	1,360

The American Battle Monuments Commission maintains cemeteries and memorials located in battle areas to commemorate the participation of American Armed Forces in the campaigns of World War I and World War II. In addition, the Commission maintains the U.S. National Cemetery, Mexico City, Mexico, and the Santiago, Cuba, Surrender Tree Site. Interred in the cemeteries are the remains of 125,621 servicemen who lost their lives in battle. An additional 91,438 dead whose remains were not recovered are commemorated by memorial structures inscribed with their names. There are 11 memorials and 8 cemeteries, each with a memorial chapel, at World War I sites, and 14 cemeteries and memorials at World War II sites.

Large numbers of American tourists and local citizens visit the cemeteries and memorials to pay homage and to view these points of historic, as well as artistic, interest.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	805	831	832
Positions other than permanent.....	23	30	32
Other personnel compensation.....	71	60	68
Total personnel compensation.....	899	921	932

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	67	73	73
21 Travel and transportation of persons.....	42	46	77
22 Transportation of things.....	7	9	8
23 Rent, communications, and utilities.....	60	56	59
24 Printing and reproduction.....	14	7	4
25 Other services.....	60	70	70
26 Supplies and materials.....	119	116	120
31 Equipment.....	12	22	17
Total obligations.....	1,280	1,320	1,360

Personnel Summary

Total number of permanent positions.....	405	405	405
Full-time equivalent of other positions.....	21	24	24
Average number of all employees.....	425	429	429
Number of employees at end of year.....	446	443	443
Average GS grade.....	6.3	6.2	6.1
Average GS salary.....	\$5,251	\$5,697	\$5,678
Average salary of ungraded positions.....	\$1,555	\$1,607	\$1,565

CONSTRUCTION OF MEMORIALS AND CEMETERIES

[During the current fiscal year, not to exceed \$1,000 of funds heretofore appropriated under this head shall be available for travel expenses (other than in connection with dedications of memorials)**]** Appropriations heretofore granted under this head shall not be available or obligation after June 30, 1962. (36 U.S.C. 121-138b; General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration.....	215	150	80
2. Construction:			
(a) European theater.....	152	129	
(b) Mediterranean theater.....	168	36	
(c) Pacific theater.....	631	69	220
(d) United States.....	22		
3. Dedication of World War II memorials and cemeteries.....	37	76	
Total obligations.....	1,225	460	300
Financing:			
Unobligated balance brought forward.....	-3,685	-2,460	-2,000
Unobligated balance carried forward.....	2,460	2,000	
Unobligated balance lapsing.....			1,700
New obligational authority (appropriation)			

This is the 13th and final year of a program of construction of cemeteries and memorials to commemorate the services of the American Armed Forces in World War II. The construction program includes 14 cemeteries and memorials in foreign countries, memorials in the national cemetery in Hawaii and on the east and west coasts of the United States, and reconstruction of a World War I memorial destroyed in World War II. Construction will be virtually concluded by the end of 1961, with the completion of the east coast memorial; the Hawaii memorial is expected to be completed in 1962. Dedication of the Manila cemetery and the west coast memorial took place in the fall of 1960, the other 13 cemeteries having been dedicated in the summers of 1956 and 1959.

In light of the expected completion of this program in 1962, the budget provides for termination of the obligation availability of this appropriation as of June 30, 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	91	65	28
Positions other than permanent.....	7		
Other personnel compensation.....	80	71	47
Total personnel compensation.....	178	136	75
12 Personnel benefits.....	13	9	5
21 Travel and transportation of persons.....	5	1	
22 Transportation of things.....	1		
25 Other services.....	18	4	
32 Lands and structures.....	1,010	310	220
Total obligations.....	1,225	460	300

Personnel Summary

Total number of permanent positions.....	44	15	6
Full-time equivalent of other positions.....	5		
Average number of all employees.....	49	12	6
Number of employees at end of year.....	15	6	0
Average GS grade.....	6.3	6.2	6.1
Average GS salary.....	\$5,251	\$5,697	\$5,678
Average salary of ungraded positions.....	\$1,555	\$1,607	\$1,565

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; official entertainment expenses (not to exceed \$30,000); [not to exceed \$3,650,000 for expenses of travel;] reimbursement of the General Services Administration for security guard services; [not to exceed \$53,400,000 for personal services;] purchase (not to exceed [four hundred and sixty] four hundred and fifty-two, of which [four hundred and thirty-seven] three hundred and fourteen are for replacement only [including two at not to exceed \$4,000 each]) and hire of passenger motor vehicles; [\$2,451,210,000, which, together with the unexpended balances, as of June 30, 1960, of prior year appropriations made available under this head to the Atomic Energy Commission] \$2,423,100,000, and 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 3617 of the Revised Statutes (31 U.S.C. 484), [shall] to remain available until expended: *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 not to exceed \$15,000,000 of this appropriation may be transferred to the appropriation for "Plant acquisition and construction", if the Commission determines such transfer is necessary to carry out the purposes of such cooperative power reactor demonstration program as may be authorized under the Commission's authorization Act for the fiscal year 1962: *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, 2291; Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Raw materials.....	715,929	629,900	578,559
2. Special nuclear materials.....	553,300	569,168	560,493
3. Weapons.....	499,612	524,000	590,200
4. Reactor development.....	387,446	437,450	422,400
5. Physical research.....	135,283	163,782	171,304
6. Biology and medicine.....	47,645	54,200	59,940
7. Training, education, and information.....	11,843	14,530	14,170
8. Civilian applications of isotopes and nuclear explosives.....	10,409	10,780	12,000
9. Communities.....	14,248	9,707	8,583
10. Program direction and administration.....	50,595	57,755	57,950
11. Security investigations.....	7,057	6,262	6,517
12. Cost of work for others.....	6,350	6,454	4,802
13. Adjustment to prior year costs.....	136		
Total program costs¹.....	2,439,853	2,483,988	2,486,918
14. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	9,373	61,712	17,809
Total obligations.....	2,449,226	2,545,700	2,504,727
Financing:			
Unobligated balance brought forward.....			-53,927
Advances and reimbursements from non-Federal sources (revenue applied) (appropriation act).....	-30,371	-22,600	-27,700
Unobligated balance carried forward.....		53,927	
Unobligated balance lapsing.....	120,817		
New obligational authority.....	2,539,672	2,577,027	2,423,100
New obligational authority:			
Appropriation.....	2,389,114	2,451,210	2,423,100
Transferred to "Salaries and expenses," National Science Foundation (73 Stat. 364).....	-2,000		
Transferred from "Plant acquisition and construction," Atomic Energy Commission (74 Stat. 752).....		5,000	
Appropriation (adjusted).....	2,387,114	2,456,210	2,423,100
Reappropriation.....	152,558	120,817	

¹ Includes capital outlay for equipment: 1960, \$100,832 thousand; 1961, \$99,428 thousand; 1962, \$120,005 thousand.

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 atomic energy information; 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

ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

achieved through the Military Liaison Committee of the Department of Defense.

Total program costs in 1962 are estimated at \$2,486.9 million, or \$2.9 million greater than the estimated 1961 costs of \$2,484 million, and \$47 million greater than actual costs of \$2,439.9 million for 1960. In 1962, increases are provided in the weapons program and in research in the physical and biomedical sciences. Costs for the procurement of raw materials, consistent with present contractual commitments, and for production of special nuclear materials in 1962 decrease from the prior year. In the reactor program, increases are provided for the development of civilian power, naval propulsion, rocket and ramjet propulsion reactors, and small auxiliary power units—these being more than offset, however, by a reduction in the level of development of propulsion reactors for military aircraft. In this latter area funds are provided in 1962 to continue development of one type of nuclear powerplant.

In 1962, as in 1960 and 1961, total program obligations will exceed program costs, the difference being obligations incurred for costs which will not materialize until future years. Total program obligations for operating expenses in 1962 are estimated to be \$2,504.7 million compared to \$2,545.7 million in 1961 and \$2,449.2 million in 1960.

1. *Raw materials.*—Uranium ores and concentrates are procured for processing in the production facilities of the Commission. An estimated 30,475 tons of concentrates, of which approximately 60% will come from domestic sources, will be obtained in 1962. This is a decrease of 1,575 tons from the 32,050 tons estimated to be procured in 1961. Procurement in 1960 was 34,581 tons. 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., and (b) the isotope uranium 235 is extracted in plants at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio. Production of special nuclear materials will be at rates required to meet weapons production schedules and nonweapons requirements. Work will continue on process improvements to assure continuity and safety of operation and more economical methods of production.

3. *Weapons.*—The program encompasses the production of weapons; the maintenance of stockpiled weapons in a state of constant readiness; the development and design of new weapons types; maintenance of the Nevada test site in a standby status; and test detection activities. The test detection activities include an experimental program for improving the technique of detecting underground nuclear detonations and developmental effort on systems to detect nuclear explosions at high altitude.

4. *Reactor development.*—This program includes primarily the development of (a) civilian power reactors leading to reliable and economic power, including associated work on fuel element development and related technology, (b) commercial ship reactors, (c) power and propulsion reactors for a variety of military and space applications, and (d) nuclear technology for other civilian

applications such as process heat reactors. The costs by major category are (in thousands of dollars):

Category:	1960 actual	1961 estimate	1962 estimate
Civilian power reactors:			
Government program.....	102,289	107,470	105,600
Cooperative arrangements program..	17,379	19,500	24,600
Euratom program.....	494	1,500	2,700
General supporting reactor research and development program.....	39,045	42,480	47,200
Subtotal, civilian power reactors.....	159,207	170,950	180,100
Merchant ship propulsion reactors....	8,137	10,500	11,400
Army power reactors.....	11,496	15,250	11,500
Naval propulsion reactors.....	77,581	87,500	94,700
Aircraft propulsion reactors.....	62,778	72,615	33,000
Missile propulsion reactors.....	15,199	20,070	20,510
Rocket propulsion reactors.....	14,724	23,230	29,990
Satellite and small power sources....	11,339	15,085	19,000
Equipment and operational services....	26,985	22,250	22,200
Total, reactor development.....	387,446	437,450	422,400

The Commission's civilian power reactor program provides increases to establish 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. Increases are provided for the cooperative arrangements program, whereby the Commission provides financial aid in development of full-scale power reactors built by private utilities and for public power bodies. This aid provides a basis for a privately financed nuclear power industry.

Costs of \$2.7 million shown for Euratom are for research and development under a joint program with the European Atomic Energy Community for which appropriations of \$10 million have been authorized.

To provide broad support primarily for civilian power reactor projects, the Commission's programs include general research and development on materials, components, moderators, control techniques, fuel elements, spent fuels reprocessing, and radioactive residues. Some of this work is also applicable to military reactor development programs. Increases are provided for developing improved fuel elements, radioactive waste processing and effluent control, and reactor components to accelerate development of economic power.

The Commission's program for 1962 includes the continuation of work to develop atomic powerplants for use in commercial vessels. The nuclear-powered merchant ship, the NS *Savannah*, is scheduled to undergo startup, test and trials in the latter half of 1961 and experimental operations in 1962. Research and development work will continue.

Efforts will be continued to develop reactors to meet requirements of the Department of Defense and the National Aeronautics and Space Administration. These include propulsion reactors for submarines, surface combatant ships, military aircraft, ramjet missiles (Project Pluto), space rockets (Project Rover), transportable power reactors for the generation of electric power and heat at remote military installations, and small power sources for satellites and other special purpose applications (Project SNAP). Increased cost levels in 1962 are principally for development of nuclear rocket and ramjet engines, for

Project SNAP, and for naval reactor development. Many of the advances in military and other specialized 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.

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. By major category the costs are (in thousands of dollars):

Category:	1960 actual	1961 estimate	1962 estimate
High energy physics, including related equipment.....	35,140	53,224	59,159
Controlled thermonuclear research (Project Sherwood), including related equipment.....	33,102	31,146	26,500
Chemistry research.....	28,927	33,900	37,300
Metallurgical research.....	11,236	14,900	16,897
Other physical research.....	19,822	22,985	23,977
Other equipment.....	7,056	7,627	7,471
Total physical research.....	135,283	163,782	171,304

Research in high energy physics continues to expand as new accelerators, on which construction was initiated in prior years, are put into operation. The 1962 amounts exclude provision for the Stanford accelerator which is being proposed for authorization. Project Sherwood, directed toward the production of power from the controlled fusion of heavy hydrogen nuclei, will continue. Costs for research in chemistry and metallurgy will increase in 1962. Approximately 74% of the physical research program is conducted at 13 laboratories owned by or operated for the Commission, and the remainder, comprising approximately 510 projects, is supported in more than 140 universities, colleges, institutes, and independent laboratories.

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 for 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. Research provides the basis for establishment of standards to insure that the Commission's activities are conducted with safety.

The major portion of the research is carried on at 15 laboratories which are owned by or operated for the Commission, and the remainder, comprising 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 bomb radiation on the affected 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.

Two schools will be operated in 1962: The International Institute of Nuclear Science and Engineering at the Argonne National Laboratory and the Puerto Rico training center. Specialized courses are conducted at the Oak Ridge Institute of Nuclear Studies. In addition, at the New York Health and Safety Laboratory, at the Oak Ridge National Laboratory, and at the Shippingport reactor site, specialized courses including radiochemical and counting procedures and reactor hazards and supervisory instruction will be offered. Charges to nongovernment participants in these schools and courses are based on the type of training provided.

In order to assist the States in the implementation of Public Law 86-373, which provides for Federal cooperation with States in regulating the use of radioactive materials, training courses have been established in radiation safety, radiological health protection, waste disposal, etc., for State and local government employees. No tuition charges are made for these courses.

Under the fellowship program in 1962, approximately 150 college graduates, compared to 177 in 1961 and 134 in 1960, will receive assistance for graduate studies in reactor technology. In 1962, 133 fellowships will be offered in the fields of radiological physics, industrial hygiene, and industrial medicine, which compares to 102 fellowships in these fields in 1961 and 95 in 1960. Assistance to schools to provide for educational programs in atomic energy will be continued. Grants are made to universities to help them acquire reactor training equipment, teaching aids, demonstration apparatus, and special laboratory equipment. University summer courses in general radiobiology are made available to high school science teachers, and special faculty training in reactor technology and radiobiology for university faculty members is provided.

To broaden the dissemination of information on matters relating to atomic energy, the Commission operates the technical information service, maintains libraries, performs translation services, and conducts tours with traveling atomic energy exhibits. The Commission arranges for nuclear exhibits at selected foreign conferences and exhibitions in order to demonstrate U.S. technology.

8. *Civilian applications of isotopes and nuclear explosives.*—This program provides for Commission participation in expanded applications of isotopes and the peaceful uses of nuclear explosives (Project Plowshare). The costs for these programs are (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Isotopes development.....	3,821	3,780	5,500
Peaceful uses of nuclear explosives (Project Plowshare).....	6,588	7,000	6,500
Total.....	10,409	10,780	12,000

The isotopes development program is directed to (1) the development of principles of new and expanded uses of radioisotopes and radiation in civilian applications and (2) research and development in support of radioisotopes production. It provides for participation in research and development projects with educational, industrial, and research organizations in developing this technology.

ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

Project Plowshare provides for the investigation and development of the peaceful uses of nuclear explosives, including research, development, and experimentation on specific applications. Applications include those for civil engineering, power and isotope production, and development of unique scientific data.

9. *Communities.*—The Commission operates the town of Los Alamos, N. Mex., with a population of about 14,000. In implementation of the Atomic Energy Community Act of 1955, all municipal facilities in Oak Ridge, Tenn., and Richland, Wash., were transferred, prior to the close of 1960, to the newly incorporated cities at these locations. Sale of all commercial and residential properties at these sites by the Housing and Home Finance Agency, initiated in 1957, is expected to be completed by midyear 1962. The 1962 estimates provide for the costs of operation at Los Alamos, financial assistance payments to Oak Ridge and Richland as authorized in Public Law 84-221, and operation of a small number of housing units at other sites. Operation of employee housing at Sandia Base, N. Mex., by the Atomic Energy Commission has been discontinued.

The relationship between costs and revenue included under Advances and reimbursements from non-Federal sources (revenue applied) is indicated in the following table (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Revenue.....	10,492	5,439	5,452
Operating costs, including Atomic Energy Commission costs related to assistance payments.....	14,248	9,707	8,583
Excess of costs over revenue.....	3,756	4,268	3,131

10. *Program direction and administration.*—This program includes the salaries and other costs for employees of the Federal Government engaged in executive direction, general management, and technical supervision of the atomic energy program; the negotiation and administration of contracts; establishment and enforcement of regulations for civilian uses of atomic energy; and other related administrative activities. Employees under this program are located in the Headquarters in Germantown, Md., and 12 operations offices. The 1962 increase of \$195 thousand is related to a small increase in average employment, which provides for full year employment at the June 30, 1961 level. No increase in staff is provided for 1962.

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. The number of full background investigations to be requested in 1962 is estimated at 18,500 compared with 17,773 for 1961 and 19,443 for 1960.

12. *Cost of work for others.*—In furthering the objectives of the Atomic Energy Act of 1954 concerning 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 reflected in the budget under Advances and reimbursements from non-Federal sources (revenue applied) and are applied as a source of funds, thereby reducing the amount of appropriations required. The items included are (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Cost of products sold.....	5,083	5,221	3,349
Cost of services performed.....	1,267	1,233	1,453
Total other funded costs (excluding depreciation).....	6,350	6,454	4,802
Related revenue.....	9,915	10,587	7,176
Excess of revenue over funded costs.....	3,565	4,133	2,374

14. *Relations of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Inventories (goods unconsumed by activities).....	191,791	191,097	191,926	195,666
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	644,489	653,550	691,037	699,767
Advances (payments for goods and services not yet received).....	24,921	26,436	49,939	55,278
Collateral funds and other deposits (insurance collateral, employee benefit and annuity funds, merchandise deposits with vendors and miscellaneous deposits).....	20,694	20,185	20,078	20,078
Total selected resources at end of year.....	881,895	891,268	952,980	970,789
Selected resources at start of year (—).....	—	—881,895	—891,268	—952,980
Obligations incurred for costs of other years, net.....		9,373	61,712	17,809

The increase in 1961 over 1960 is attributable principally to increases in (1) advances related to procurement of uranium concentrates deferred until future years, and (2) unpaid undelivered orders associated with the Co-operative power demonstration program, the Euratom program, and special computer equipment for the weapons program. The increase in 1962 over 1961 is attributable principally to increases in (1) inventory balances related to program requirements, (2) advances related to procurement of uranium concentrates deferred until future years, and (3) unpaid undelivered orders related to higher operating levels for the weapons program.

15. *Advances and reimbursements from non-Federal sources (revenue applied).*—This item, shown as a source of financing on the program and financing schedule, reduces appropriation requirements and is obtained from services performed; the sale and lease of products, including sale and lease of nuclear materials produced as a part of the Commission's own basic program; the operation of Atomic Energy Commission-owned communities and housing; the sale of special reactor materials; and products and services for which costs are incurred only upon the request of others and are included under Cost of

work for others. The items included are (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Income from products sold and services performed the costs of which are included in program costs of current or prior years:			
Sale of source and special nuclear materials and related products	4,442	1,000	3,950
Income from lease of materials and consumption charges for special nuclear materials	2,056	2,300	6,900
Income from sale of steam	817	985	1,585
Income from research hospitals	370	398	398
Income from training, education and information	301	298	284
Income from communities	10,492	5,439	5,452
Miscellaneous income	1,978	1,593	1,955
Subtotal	20,456	12,013	20,524
Income from other products sold and services performed, costs of which are incurred at request of others and included under Cost of work for others:			
Products sold	8,403	9,056	5,386
Services performed	1,512	1,531	1,790
Subtotal	9,915	10,587	7,176
Total, advances and reimbursements from non-Federal sources (revenue applied)	30,371	22,600	27,700

16. *Equipment not included in construction projects.*—Equipment not included in construction projects is budgeted under the individual operating programs, and such costs are included in the amount shown for each program on the program and financing schedule.

A tabulation of capital outlays for equipment included in the operating programs is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Equipment costs incurred:			
Raw materials	—43	29	66
Special nuclear materials	20,964	23,733	24,000
Weapons	36,139	31,810	48,000
Reactor development	25,698	21,250	21,600
Physical research	14,152	18,213	21,403
Biology and medicine	1,951	2,263	2,346
Training, education, and information	452	423	348
Civilian applications of isotopes and nuclear explosives	830	665	1,575
Communities	301	82	82
Program direction and administration	388	960	585
Total	100,832	99,428	120,005

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ATOMIC ENERGY COMMISSION			
11 Personnel compensation:			
Permanent positions	48,410	54,302	54,804
Positions other than permanent	398	418	412
Other personnel compensation	2,000	1,965	1,784
Total personnel compensation	50,808	56,685	57,000
12 Personnel benefits	3,506	4,279	4,309
21 Travel and transportation of persons	3,177	3,650	3,800
22 Transportation of things	7,330	9,391	9,617
23 Rent, communications, and utilities	217,031	214,397	207,996
24 Printing and reproduction	514	654	654
25 Other services:	1,274,496	1,400,264	1,442,736
Services of other agencies	28,028	29,081	27,134
26 Supplies and materials	729,504	680,638	611,664
31 Equipment	103,970	116,041	106,968
41 Grants, subsidies, and contributions	5,371	6,836	3,856
42 Insurance claims and indemnities	62	67	67

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ATOMIC ENERGY COMMISSION—Con.			
Unvouchered		100	100
Total, Atomic Energy Commission	2,423,797	2,522,083	2,475,901
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions	374	430	453
Positions other than permanent	11	14	19
Other personnel compensation	15	14	15
Total personnel compensation	400	458	487
12 Personnel benefits	22	30	31
21 Travel and transportation of persons	9	8	10
22 Transportation of things	1	2	2
23 Rent, communications, and utilities	4	5	5
24 Printing and reproduction		1	1
25 Other services	24,922	22,995	28,166
26 Supplies and materials	66	116	122
31 Equipment	5	2	2
Total, allocation accounts	25,429	23,617	28,826
Total obligations	2,449,226	2,545,700	2,504,727
Obligations are distributed as follows:			
Atomic Energy Commission	2,423,797	2,522,083	2,475,901
Defense	25,097	22,645	28,351
Bureau of Mines	332	436	475
Maritime activities		536	

Personnel Summary

ATOMIC ENERGY COMMISSION			
Total number of permanent positions	7,333	7,283	7,259
Full-time equivalent of other positions	62	61	60
Average number of all employees	6,745	6,881	6,915
Number of employees at end of year	6,907	6,948	6,927
Grades established by the Atomic Energy Commission:			
Average grade	8.9	9.0	9.0
Average salary	\$7,341	\$8,029	\$8,066
ALLOCATION ACCOUNTS			
Total number of permanent positions	62	67	69
Full-time equivalent of other positions	3	3	4
Average number of all employees	65	69	72
Number of employees at end of year	65	70	74
Average GS grade	7.1	7.3	7.3
Average GS salary	\$5,983	\$6,495	\$6,598

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; ~~[\$212,750,000]~~ \$174,950,000, to remain available until expended: *Provided*, That not to exceed \$10,000,000 of this appropriation, may be transferred to the appropriation for "Operating expenses", if the Commission determines such transfer is necessary to carry out the purposes of the cooperative power reactor demonstration program authorized under the Commission's authorization Act for the fiscal year 1961: *Provided further*, That, in addition to the amounts appropriated herein, there is authorized to be transferred to this appropriation and merged therewith, the amount of \$6,300,000 from the appropriation "Research, development, test, and evaluation, Air Force", for construction of test and developmental facilities under the aircraft nuclear propulsion pro-

ATOMIC ENERGY COMMISSION—Continued

Current authorizations—Continued

PLANT ACQUISITION AND CONSTRUCTION—Continued

gram: *Provided further*, That not to exceed \$3,500,000 of this appropriation shall be transferred to the appropriation "Other Procurement, Navy", solely for construction of power reactor plants for the Antarctic]. (42 U.S.C. 2017; 74 Stat. 120; Public Works Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Facilities for—			
1. Raw materials.....	9	60	60
2. Special nuclear materials.....	101,257	89,275	38,425
3. Weapons.....	28,330	32,312	24,000
4. Reactor development.....	115,848	212,803	46,275
5. Physical research.....	41,781	51,065	55,910
6. Biology and medicine.....	2,376	5,660	3,310
7. Training, education, and information.....	632	277	150
8. Civilian applications of isotopes and nuclear explosives.....	2,174	1,476	-----
9. Communities.....	2,200	2,031	6,620
10. Administration.....	690	600	200
Total obligations.....	295,297	395,559	174,950
Financing:			
Unobligated balance brought forward.....	-209,916	-182,831	-----
Recovery of prior year obligations.....	-5,712	-2,178	-----
Unobligated balance transferred from "Research, development, test, and evaluation, Air Force" (74 Stat. 751).....	-----	-6,300	-----
Unobligated balance carried forward.....	182,831	-----	-----
New obligational authority.....	262,500	204,250	174,950
New obligational authority:			
Appropriation.....	262,500	212,750	174,950
Transferred to—			
"Operating expenses," Atomic Energy Commission (74 Stat. 752).....	-----	-5,000	-----
"Other procurement, Navy" (74 Stat. 752).....	-----	-3,500	-----
Appropriation (adjusted).....	262,500	204,250	174,950

From this appropriation the Atomic Energy Commission constructs the plants and facilities necessary for its production, research and development, and supporting operations. Appropriations for plant acquisition and construction and for financial assistance in the development of reactors require specific authorization by the Congress. Of the new obligational authority being requested for 1962, \$53.5 million applies to construction projects previously authorized, with the balance of \$121.5 million being applicable to projects for which authorization is being requested for 1962.

The details of the 1962 estimates by activity are as follows:

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 feed materials plants, the gaseous diffusion plants, and the pro-

duction reactor installations. Obligational requirements in 1962 include \$7.2 million to complete funding for the new production reactor at Hanford, Wash., previously authorized.

3. *Weapons*.—This activity provides for the construction and modification of facilities for the production of 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. Funds provided in 1962 for new projects requiring authorization relate principally to construction of development and test facilities for nuclear aircraft and systems for nuclear auxiliary power, a fuels recycle pilot plant, and additional laboratory and technical support facilities. Obligational requirements in 1962 include \$12 million for projects already authorized, principally development and test facilities for nuclear rockets and missiles and a ground prototype for a naval natural circulation reactor.

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 and modification of ultra-high energy particle accelerators in the multi-billion electron-volt range, which will assist in obtaining new knowledge about the atomic nucleus and the elementary particles. Funds provided in 1962 for new projects requiring authorization relate principally to new laboratory buildings for research in chemistry and high energy physics. Obligational requirements in 1962 include \$34.3 million to complete funding for projects already authorized, principally the materials research laboratory, the zero gradient synchrotron, and modifications to other accelerators.

6. *Biology and medicine*.—This activity provides for construction supporting biomedical research in atomic energy. The principal item included in 1962 is a laboratory for mixed fission products inhalation studies.

7. *Training, education, and information*.—This activity provides for minor construction in connection with the Commission's training program.

8. *Civilian applications of isotopes and nuclear explosives*.—This activity provides for the construction of facilities required for research and development directed toward the civilian applications of isotopes and the peaceful uses of nuclear explosives. No new obligational authority is being requested in 1962.

9. *Communities*.—This activity provides for improvements and additions to community facilities at Los Alamos, N. Mex.

10. *Administration*.—This activity provides for improvements and modifications of administrative facilities at the Commission headquarters in Germantown, Md.

The costs to this appropriation and the financing of these projects are analyzed in the following table (in thousands of dollars):

PROGRAM BY ACTIVITIES

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete	
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources start of year	Add selected resources end of year	Appropriation required for 1962		
1. Raw materials.....	6,174	5,565	485	54	60	10	10	60	-----	
2. Special nuclear materials.....	1,510,013	1,208,094	43,368	125,852	88,956	94,274	43,743	38,425	-----	
3. Weapons.....	343,626	225,136	35,650	43,679	25,161	15,161	14,000	24,000	-----	
4. Reactor development.....	850,823	310,760	114,441	166,613	140,983	180,984	86,276	46,275	31,750	
5. Physical research.....	240,771	43,192	29,218	62,992	57,883	41,009	39,036	55,910	8,450	
6. Biology and medicine.....	22,010	7,598	1,895	5,984	4,818	2,223	715	3,310	1,000	
7. Training, education, and information.....	4,650	1,401	2,336	703	160	60	50	150	-----	
8. Civilian applications of isotopes and nuclear explosives.....	3,650	-----	350	2,314	986	986	-----	-----	-----	
9. Community.....	17,948	5,387	2,687	2,659	5,005	595	2,210	6,620	-----	
10. Administration.....	15,794	14,101	297	896	450	300	50	200	-----	
Estimated lag in construction costs.....	-----	-----	-----	-130,000	-60,000	+130,000	+190,000	-----	-----	
Total program costs.....	3,015,459	1,821,234	230,727	281,746	264,462	465,602	376,090	174,950	41,200	
11. Relation of costs to obligations:										
Costs financed from obligations of other years, net (-).....			-----	-----	-89,512					
Obligations incurred for costs of other years, net.....			64,570	113,813	-----					
Total obligations.....			295,297	395,559	174,950					

11. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	295,522	353,967	465,602	376,090
Selected resources at start of year (-).....	-295,522	-353,967	-465,602	-----
Recovery of prior year obligations and adjustment of selected resources reported at start of year.....	-----	6,125	2,178	-----
Costs financed from obligations of other years, net (-).....	-----	-----	-----	-89,512
Obligations incurred for costs of other years, net.....	-----	64,570	113,813	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ATOMIC ENERGY COMMISSION			
22 Transportation of things.....	1	3	3
25 Other services.....	15,682	19,397	15,737
Services of other agencies.....	-162	-----	-----
26 Supplies and materials.....	394	1,000	750
32 Lands and structures.....	274,768	371,098	157,685
42 Insurance claims and indemnities.....	63	75	75
Total, Atomic Energy Commission.....	290,746	391,573	174,250
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	9	73	-----
Other personnel compensation.....	-----	5	-----
Total personnel compensation.....	9	78	-----
12 Personnel benefits.....	1	6	-----
23 Rent, communications, and utilities.....	-----	1	-----
25 Other services.....	852	606	700
Services of other agencies.....	3	-----	-----
32 Lands and structures.....	3,686	3,295	-----
Total, allocation accounts.....	4,551	3,986	700
Total obligations.....	295,297	395,559	174,950

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Atomic Energy Commission.....	290,746	391,573	174,250
Army.....	822	1,668	700
Maritime activities.....	3,726	2,318	-----
Bureau of Public Roads.....	3	-----	-----

Personnel Summary

ALLOCATION ACCOUNTS			
Total number of permanent positions.....	2	15	-----
Average number of all employees.....	2	14	-----
Number of employees at end of year.....	5	5	-----
Average GS grade.....	6.0	5.8	-----
Average GS salary.....	\$4,846	\$5,109	-----

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
 "Construction and equipment," National Aeronautics and Space Administration.
 "Military construction, Army."
 "Mutual security—economic," funds appropriated to the President.
 "Navy management fund."
 "Operation and maintenance, Army."
 "Operation and maintenance, Navy."
 "Procurement of equipment and missiles, Army."
 "Procurement other than aircraft and missiles, Air Force."
 "Research and development," National Aeronautics and Space Administration.
 "Research and development," Office of Civil and Defense Mobilization.
 "Research, development, test, and evaluation, Army."
 "Ship construction," maritime activities, Department of Commerce.
 "Shipbuilding and conversion, Navy."
 "Ships and facilities, Navy."

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 [1961] 1962 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 generally accepted accounting principles.

Not to exceed 5 per centum of any appropriation herein may be transferred to any other such appropriation, but no such appropriation, except as otherwise provided herein, shall be increased by more

ATOMIC ENERGY COMMISSION—Continued**Current authorizations—Continued****GENERAL PROVISIONS—Continued**

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 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; *Public Works Appropriation Act, 1961.*)

Public enterprise funds:**DEFENSE PRODUCTION GUARANTEES****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available: Revenue and receipts: Guarantee and commitment fees.....	12		
Unobligated balance brought forward.....	497	509	
Total amounts available.....	509	509	
Capital transfer (payment of earnings to Treasury (-)).....		-509	
Unobligated balance carried forward.....	509		
Financing applied to program.....			

Guarantees may be given on loans made by public or private financial institutions to provide construction funds and working capital for defense production plants. At the beginning of 1960 guaranteed credit from private financial institutions amounting to \$3 million was available to two borrowers; by year-end all outstanding loans were fully paid. It is estimated that in 1961 and 1962 no guarantees will be in force. Although Public Law 86-560 extended the guarantee provisions of the Defense Production Act to June 30, 1962, net earnings will be paid to Treasury in 1961, thereby closing out the account (50 U.S.C. App. 2091, 2092).

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Guarantee and commitment fees.....	12		
Budget expenditures.....	-12		

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	12		
Analysis of retained earnings:			
Retained earnings, beginning of year.....	497	509	
Payment of earnings to Treasury (-).....		-509	
Retained earnings, end of year.....	509		

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	509		
Government investment:			
Retained earnings.....	509		

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	497	509		

Note.—U.S. share of guarantees and commitments outstanding in 1959 were \$2,305 thousand.

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Sale of products.....	26,260	26,100	24,500
2. Income from other services.....	4,213	43,000	40,000
3. Miscellaneous income.....	5,921	13,200	13,000
Total obligations.....	36,394	82,300	77,500
Financing:			
Advances and reimbursements from—			
Other accounts.....	27,688	70,000	60,000
Non-Federal sources (42 U.S.C. 2011).....	8,706	12,300	17,500
Total financing.....	36,394	82,300	77,500

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	25		
21 Travel and transportation of persons.....	11		
25 Other services.....	36,358	82,300	77,500
Total obligations.....	36,394	82,300	77,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	2		
Number of employees at end of year.....	0		
Average GS grade.....	15		
Average GS salary.....	\$13,245		

CENTRAL INTELLIGENCE AGENCY

Current authorizations:

CONSTRUCTION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Design, specifications, and supervision.....	216	241	160
2. Construction of building.....	201	1,959	1,340
3. Construction of roads.....	49		
Total obligations.....	466	2,200	1,500
Financing:			
Unobligated balance brought forward.....	-6,941	-6,475	-4,275
Unobligated balance carried forward.....	6,475	4,275	2,775
New obligational authority (appropriation).....			

1. *Design, specifications, and supervision.*—Plans for the new headquarters installation were completed in calendar year 1958.

2. *Construction of building.*—From the \$54,500 thousand appropriated in prior years a contract for excavation and foundations was awarded in 1958 and work was completed in early 1960. A contract for the superstructure was awarded in March 1959 and is scheduled for completion in late 1961.

3. *Construction of roads.*—Up to \$8,500 thousand was available for the extension of the George Washington Memorial Parkway to the headquarters site. Construction was begun in 1956 and completed in 1959.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	34		
Other personnel compensation.....	5		
Total personnel compensation.....	39		
12 Personnel benefits.....	2		
23 Rent, communications, and utilities.....	4		
24 Printing and reproduction.....	4	3	3
25 Other services.....	212	238	157
Services of other agencies.....	29		
32 Lands and structures.....	201	1,959	1,340
Subtotal.....	491	2,200	1,500
Deduct portion of foregoing originally charged to object class 32.....	25		
Total obligations.....	466	2,200	1,500
Obligations are distributed as follows:			
General Services Administration.....	417	2,200	1,500
Bureau of Public Roads.....	49		

Personnel Summary

ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....	20		
Average number of all employees.....	7		
Number of employees at end of year.....	0		
Average GS grade.....	6.4		
Average GS salary.....	\$5,142		

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; hire, operation, maintenance, and repair of aircraft; [purchase (one for replacement only) and] hire of passenger motor vehicles; and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed ["\$50] \$100 per diem; [\$7,392,500] \$8,950,000. (19 U.S.C. 1301-1325, 1371-1386, 1422, 1429, 1441-1510, 1531-1542; 15 U.S.C. 21; 71 Stat. 629; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Economic regulation.....	3,950	4,451	4,841
2. Safety activities.....	1,291	1,570	2,220
3. Board adjudication, executive, and legal staff activities.....	1,047	1,170	1,202
4. Administrative services activities.....	606	661	687
Total program costs.....	6,894	7,852	8,950
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	14		
Total obligations.....	6,908	7,852	8,950
Financing:			
Unobligated balance lapsing.....	17		
New obligational authority.....	6,925	7,852	8,950
New obligational authority:			
Appropriation.....	6,925	7,392	8,950
Proposed supplemental due to pay increases.....		460	

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 1962 is for expansion in certain critical program areas, primarily in the routes and safety areas.

1. *Economic regulation.*—This includes granting certificates of public convenience and necessity, prescribing or approving rates and rate practices of air carriers, fixing mail rate compensation, preventing unfair competition, approving business relationships between air carriers, and adjudicating complaints alleging violations of civil air regulations.

2. *Safety activities.*—These consist of the investigation of civil aircraft accidents involving aircraft 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. *Board adjudication, executive, and legal staff activities.*—In addition to the adjudication of cases, program planning, and top policy and decision making functions of the Board, 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.

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

CIVIL AERONAUTICS BOARD—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).	4	3	3	3
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)...	76	96	96	96
Total selected resources at end of year.....	80	99	99	99
Selected resources at start of year (—).....		—80	—99	—99
Adjustment of selected resources reported at start of year.....		—5	—	—
Obligations incurred for costs of other years, net....		14	—	—

SELECTED WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Route and related matter cases completed:			
By formal hearing.....	52	42	59
Without hearing.....	613	759	821
Final subsidy rates issued.....	28	29	34
Commercial rate cases and matters processed.....	1,420	1,498	1,579
Examiner decisions issued:			
Economic hearing cases.....	63	70	80
Safety appeal cases.....	87	90	90
International air agreements, consultations, and negotiations.....	31	43	45
Field audits (years of carrier operations audited).....	65	69	80
Economic enforcement:			
Passenger and shipper complaints received.....	1,005	1,400	1,700
Enforcement actions completed.....	460	452	545
Aircraft accident investigations made....	756	799	851

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,503	6,375	7,072
Positions other than permanent.....	20	—	—
Other personnel compensation.....	67	52	59
Total personnel compensation.....	5,590	6,427	7,130
12 Personnel benefits.....	383	481	531
21 Travel and transportation of persons.....	338	357	480
22 Transportation of things.....	9	13	27
23 Rent, communications, and utilities.....	181	188	218
24 Printing and reproduction.....	121	88	125
25 Other services.....	42	48	76
Services of other agencies.....	84	95	164
26 Supplies and materials.....	84	85	101
31 Equipment.....	76	70	98
Total obligations.....	6,908	7,852	8,950

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	761	800	881
Full-time equivalent of other positions.....	3	—	—
Average number of all employees.....	733	779	850
Number of employees at end of year.....	755	784	863
Average GS grade.....	9.4	9.5	9.6
Average GS salary.....	\$7,537	\$8,118	\$8,188

PAYMENTS TO AIR CARRIERS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payments to air carriers of so much of the compensation fixed and determined by the Civil Aeronautics Board under section 406 of the Federal Aviation Act of 1958 (49 U.S.C. 1376), as is payable by the Board, [\$65,000,000] \$81,700,000, to remain available until expended. (39 U.S.C. 488(a); 49 U.S.C. 402; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Local service operations.....	49,018	74,818	67,362
2. Helicopter operations.....	4,790	5,301	7,114
3. Alaskan operations.....	8,491	9,255	9,294
4. Hawaiian operations.....	—	—	465
5. International operations.....	50	—	—
Total program costs—obligations (object class 41).....	62,349	89,374	84,235
Financing:			
New obligatory authority (contract authorization) (indefinite).....	62,349	89,374	84,235
Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance brought forward.....	1,686	4,922	6,357
Contract authorization (new) (indefinite).....	62,349	89,374	84,235
Administrative cancellation of contract authorization ¹	—614	—995	—1,903
Unfunded balance transferred to "Proposed for later transmission".....	—	—21,944	—
Unfunded balance carried forward.....	—4,922	—6,357	—6,989
Appropriation to liquidate contract authorization.....	58,500	65,000	81,700

¹ Adjustment of prior year obligations.

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.

At present, subsidy obligations incurred by the Board in carrying out its ratemaking functions under section 406 of the Federal Aviation Act of 1958 are not subject to prior budgetary and appropriation control. Congressional appropriations provide only for making subsequent payments to air carriers and have no effect on the Board's authority to obligate the Federal Government for subsidies. These appropriations to liquidate contract authorizations are available until expended but are requested only in the amounts required for payments estimated to become due in the budget year. For 1961, it is currently estimated that a supplemental appropriation of nearly \$22 million, shown under Proposed for later transmission, will be required.

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 rate orders affecting prior years. Approximately 1 to 2 months of obligations are due but unpaid at the end of any year.

The following table reflects the estimated amounts becoming due finally for each year, together with the adjustments between years (in thousands of dollars):

ESTIMATED SUBSIDY EARNINGS AND OBLIGATIONS

	1960 actual	1961 estimate	1962 estimate
Estimated subsidy earnings under final Board action:			
Local service operations.....	54,399	62,104	68,198
Helicopter operations.....	4,960	5,280	6,941
Alaskan operations.....	8,923	8,611	9,195
Total earnings.....	68,282	75,995	84,334
Earnings in prior years recorded within the year.....	5,037	14,776	2,002
Earnings of the year recorded in later years (-).....	-10,970	-1,397	-2,101
Total program costs—obligations.....	62,349	89,374	84,235

The following analysis shows the subsidy outlook for 1962 under final Board actions:

CARRIER UNITS

	Non-subsidized	Subsidized	
Domestic:			All domestic trunklines are in nonsubsidized status. Subsidy need for local service and helicopter operations has increased as a result of certification of additional service, acquisition of new equipment, and increasing costs. Subsidy will continue to support routes between continental United States and Alaska and to remote localities. Hawaiian and international operations are in nonsubsidized status.
Domestic trunklines.....	12	--	
Local service operations.....	--	13	
Helicopter operations.....	--	3	
Alaskan operations.....	1	9	
Hawaiian operations.....	2	--	
International operations.....	12	--	

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Economic regulation and board adjudication, executive, and legal staff activities (total obligations) (object class 31).....	1		
Financing:			
Advances and reimbursements from other accounts.....	1		

Proposed for later transmission:

PAYMENTS TO AIR CARRIERS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance transferred from "Payments to air carriers".....		21,944	
Unfunded balance carried forward.....		0	
Proposed supplemental appropriation to liquidate contract authorization.....		21,944	

Under existing legislation, 1961.—A supplemental appropriation of \$21,944 thousand is anticipated for 1961 to pay amounts due air carriers under rate orders now in effect or expected to be approved during the year.

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; 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 [\$77,000] \$83,000 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; and not to exceed \$5,000 for actuarial services by contract, without regard to section 3709, Revised Statutes, as amended; [\$19,405,000] \$21,829,000: *Provided*, That no part of this appropriation shall be available for the Career Executive Board established by Executive Order 10758 of March 4, 1958, as amended.

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.

[No part of the appropriations herein made to the Civil Service Commission shall be available for printing the Official Register of the United States, and the Act of August 28, 1938 (49 Stat. 956), as amended by the Act of August 27, 1951 (65 Stat. 198), is hereby repealed.]

[For an additional amount for "Salaries and expenses", \$100,000.] (5 U.S.C. 22-1, 73b-3, 150, 631-642, 645c-645e, 652, 851-869, 901-958, 1010-1052, 1071-1133, 1151, 1161, 1162, 2001-2007, 2061-2066, 2121-2123, 2251-2267, 2281-2288, 2301-2319; 28 U.S.C. 2671-2680; 39 U.S.C. 3311, 3312, 3502; 40 U.S.C. 42, 491; 50A U.S.C. 459, 2160; 65 Stat. 757; 66 Stat. 122; 68 Stat. 1115; 70 Stat. 721; Executive Orders 9830, Feb. 24, 1947; 10000, Sept. 16, 1948; 10242, May 18, 1951; 10422, Jan. 9, 1953; 10450, Apr. 27, 1953; 10530, May 10, 1954; 10540, June 29, 1954; 10552, Aug. 10, 1954; 10556, Sept. 1, 1954; 10590, Jan. 18, 1955; 10647, Nov. 28, 1955; 10774, July 25, 1958; 10826, June 25, 1959; 10869, Mar. 9, 1960; 10880, June 7, 1960; Independent Offices Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Recruiting and examining.....	5,938	6,215	6,675
2. Investigation of character and fitness for employment.....	3,507	3,724	3,928
3. Inspections and classification audits.....	2,486	2,773	2,815
4. Administration of the retirement systems.....	2,606	3,036	3,233
5. Developing programs and standards.....	1,568	1,715	1,775
6. Appellate functions.....	928	1,018	1,032
7. Executive and administrative services.....	2,158	2,331	2,371
Total program costs.....	19,191	20,812	21,829
8. Relation of costs to obligations: Costs financed from obligations of other years net (-).....	-6		
Total obligations.....	19,185	20,812	21,829
Financing:			
Comparative transfers from (-) other accounts.....	-51	-51	
Unobligated balance lapsing.....	24		
New obligational authority.....	19,158	20,761	21,829

CIVIL SERVICE COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	19,120	19,505	21,829
Transferred from "Investigations of United States citizens for employment by international organizations" (65 Stat. 61 and 70 Stat. 340).....	38		
Appropriation (adjusted).....	19,158	19,505	21,829
Proposed supplemental due to pay increases.....		1,256	

1. *Recruiting and examining.*—Most appointments in the competitive civil service are made under the open competitive merit system through examinations held by the office of the Commission and its boards of examiners, made up of agency personnel operating under the supervision and direction of the Commission. Appointments through such competitive examinations will accord career or career-conditional status. Physically handicapped persons are given special placement attention. Veterans are aided in securing the benefits to which they are entitled.

PRODUCTION COUNT

	1960 actual	1961 estimate	1962 estimate
Examinations announced by—			
The Commission.....	3,097	2,900	2,900
Boards of examiners.....	5,214	5,900	6,000
Total.....	8,311	8,800	8,900
Applications processed by—			
The Commission.....	476,016	406,000	406,000
Boards of examiners.....	1,391,810	1,453,300	1,462,000
Total.....	1,867,826	1,859,300	1,868,000

2. *Investigation of character and fitness for employment.*—The Commission conducts most of the investigations required for security determinations of persons being employed in sensitive positions, and fitness investigations of all persons entering nonsensitive positions. The Commission also conducts other investigations connected with appeals and the merit system.

PRODUCTION COUNT

	1960 actual	1961 estimate	1962 estimate
National agency check and inquiry cases.....	247,219	254,500	254,500
Suitability cases resulting from national agency check and inquiry.....	5,840	5,130	5,370
Other personal investigations.....	5,940	5,490	5,880

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. The Commission also conducts classification reviews to insure compliance with classification standards and promotes interagency training programs for Federal employees.

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 con-

rol accounts for the fund and making payments to annuitants and other claimants.

PRODUCTION COUNT

	1960 actual	1961 estimate	1962 estimate
Annuity and death claims.....	87,928	99,000	110,100
Refund claims.....	164,622	163,500	168,000
Claims for deposit.....	23,740	47,100	56,800
Inquiries.....	210,945	247,300	243,100

5. *Developing programs and standards.*—The Commission develops programs, devises tests, issues standards and regulations, and proposed legislation to improve the Federal personnel system for both competitive and non-competitive 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: 1959, \$138 thousand; 1960, \$132 thousand; 1961, \$132 thousand; 1962, \$132 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	15,388	17,000	17,697
Positions other than permanent.....	98	48	48
Other personnel compensation.....	265	65	
Total personnel compensation.....	15,751	17,113	17,745
12 Personnel benefits.....	1,088	1,299	1,337
21 Travel and transportation of persons.....	480	532	548
22 Transportation of things.....	126	123	123
23 Rent, communications, and utilities.....	645	776	807
24 Printing and reproduction.....	415	397	396
25 Other services.....	111	78	109
Services of other agencies.....	151	142	233
26 Supplies and materials.....	200	196	201
31 Equipment.....	218	156	330
Total obligations.....	19,185	20,812	21,829

Personnel Summary

Total number of permanent positions.....	2,692	2,655	2,745
Full-time equivalent of other positions.....	23	11	11
Average number of all employees.....	2,513	2,563	2,651
Number of employees at end of year.....	2,517	2,580	2,705
Average GS grade.....	7.4	7.3	7.2
Average GS salary.....	\$6,225	\$6,595	\$6,605

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), **[\$400,000] \$438,000: 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Investigations (total program costs).....	385	400	438
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-26		
Total obligations.....	358	400	438
Financing:			
Unobligated balance lapsing.....	5		
New obligational authority.....	362	400	438
New obligational authority:			
Appropriation.....	400	400	438
Transferred to "Salaries and expenses", Civil Service Commission (65 Stat. 61; 70 Stat. 340).....	-38		
Appropriation (adjusted).....	362	400	438

1. *Investigations.*—This appropriation is used primarily to pay the Civil Service Commission and Federal Bureau of Investigation for conducting investigations of U.S. citizens considered for employment in international organizations of which the U.S. 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: 1959, \$67 thousand; 1960, \$41 thousand; 1961, \$41 thousand; 1962, \$41 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	39	46	51
Positions other than permanent.....	11	13	15
Total personnel compensation.....	50	59	66
12 Personnel benefits.....	4	4	4
21 Travel and transportation of persons.....	2	3	3
25 Other services.....	1	1	1
Civil Service Commission background investigations.....	274	299	327
Services of Federal Bureau of Investigation.....	26	33	36
31 Equipment.....	1	1	1
Total obligations.....	358	400	438

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	5	5	5
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	6	6	6
Number of employees at end of year.....	10	12	12
Average GS grade.....	7.4	7.3	7.2
Average GS salary.....	\$6,225	\$6,595	\$6,605

ANNUITIES 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, as amended (33 U.S.C. 771-775), **[\$2,316,000]** \$2,248,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. To employees engaged in construction of the Panama Canal.....	1,887	1,906	1,834
2. To widows of former employees of the Lighthouse Service.....	409	410	414
Total program costs—obligations (object class 13).....	2,296	2,316	2,248
Financing:			
Unobligated balance lapsing.....	154		
New obligational authority (appropriation).....	2,450	2,316	2,248

Annuities are paid to persons who were employed on the construction of the Panama Canal, or to their widows; and benefits are paid to widows of former employees of the Lighthouse Service.

	June 30, 1960	June 30, 1961	June 30, 1962
Panama Canal annuitants.....	2,021	1,883	1,736
Lighthouse Service widows.....	436	444	441

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS FUND

For payment to the "Employees health benefits fund" of Government contributions with respect to annuitants, as authorized by section 7 of the Federal Employees Health Benefits Act (73 Stat. 713), **[\$2,500,000]** \$5,450,000, to remain available until expended. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Government contribution for annuitants benefits (total costs—obligations) (object class 12).....		2,500	5,450
Financing:			
New obligational authority (appropriation).....		2,500	5,450

This appropriation covers the Government's share of the cost of health insurance for annuitants who retire after the enactment of the Federal Employees Health Benefits Act of 1959. In addition to the amount requested for

CIVIL SERVICE COMMISSION—Continued

Current authorizations—Continued

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS FUND—Continued

1962 (\$5,450 thousand), an estimated \$550 thousand will be available in the fund from the preceding year's appropriation.

It is estimated that 116,000 eligible employee and survivor annuitants will participate in this program by the end of 1962 and that they will pay an estimated \$9.8 million into the fund.

The use of these funds is reflected in the schedules for the Employees health benefits fund.

GOVERNMENT CONTRIBUTION, RETIRED EMPLOYEES HEALTH BENEFITS FUND

For payment to the "Retired employees health benefits fund" of Government contributions with respect to retired employees, as authorized by section 4 of the Retired Federal Employees Health Benefits Act (74 Stat. 850), \$20,900,000.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Government contribution for retired employees benefits.....			20,500
2. Government contribution for administrative expenses.....			400
Total program costs—obligations.....			20,900
Financing:			
New obligatory authority (appropriation).....			20,900

This appropriation is used (1) to cover the Government's share of the cost of health insurance for employees who were retired when the Retired Federal Employees Health Benefits Act became effective; and (2) to cover the Government's contribution for administrative expenses of the Commission.

It is estimated that 380,000 retirees will participate in this program at the start with approximately 50% enrolling in the Government-wide plan.

The use of these funds is reflected in the schedules for the Retired employees health benefits fund.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....			20,500
25 Other services.....			400
Total obligations.....			20,900

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the annuity benefits and increases, during the current fiscal year, provided by the Act of June 25, 1958 (72 Stat. 218), [\$46,329,000] \$44,637,000, to be credited to the civil service retirement and disability fund. (Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of Government share of retirement (total costs—obligations) (object class 12).....		46,329	44,637
Financing:			
New obligatory authority (appropriation).....		46,329	44,637

Legislation enacted by the 85th Congress increased annuities of certain retired employees and survivors effective August 1, 1958, and provided annuities for certain widows and widowers. This legislation also requires the termination of such annuities and increases in annuities for each year after 1960, for which an appropriation has not been made to cover their cost. Annual appropriations are contemplated. The appropriation required for 1962 is \$44,637 thousand.

Legislation will be proposed to repeal the requirement for a specific appropriation to cover the cost of the annuities and increased annuities indicated above. If the proposed legislation is enacted, special annual appropriations for this purpose will not be required.

LIMITATION ON ADMINISTRATIVE EXPENSES, EMPLOYEES HEALTH BENEFITS FUND

(Trust fund)

Not to exceed \$1,148,000 of the funds in the "Employees health benefits fund" shall be available for reimbursement to the Civil Service Commission for administrative expenses incurred by the Commission during the current fiscal year in the administration of the Federal Employees Health Benefits Act of 1959 (73 Stat. 713), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a).

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration of the health benefits program (total costs—obligations) (object class 25).....			1,148
Financing:			
Limitation.....			1,148

The Federal Employees Health Benefits Act of 1959, approved September 28, 1959, provides that beginning in 1962 the Employees health benefits fund will be available for administrative expenses incurred by the Commission, within such limitations as may be specified annually by the Congress. The act also authorized the Commission, for 1960 and 1961, to pay for these administrative expenses from the Employees life insurance fund without regard to limitation, subject to reimbursement from the Employees health benefits fund for any amounts expended in those years together with interest at a rate to be determined by the Secretary of the Treasury.

The use of these funds is reflected in the schedules for Advances and reimbursements.

LIMITATION ON ADMINISTRATIVE EXPENSES, EMPLOYEES LIFE INSURANCE FUND
(Trust fund)

Not to exceed **[\$250,000]** \$262,000 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 the Federal Employees Group Life Insurance Act of 1954, as amended (5 U.S.C. 2091-2103), including services as authorized by section 15 of the Act of August 2, 1948 (5 U.S.C. 55a): *Provided*, That this limitation shall include expenses incurred under section 10 of the Act, notwithstanding the provisions of section 1 of Public Law 85-377 (5 U.S.C. 2094(c)). (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration of the basic insurance program.....	81	99	104
2. Beneficial association work.....	152	161	158
Total program costs—obligations (object class 25).....	233	260	262
Financing:			
Unobligated balance lapsing.....	16		
Limitation.....	249	250	262
Proposed increase in limitation due to pay increases.....		10	

The Federal Employees' Group Life Insurance Act (5 U.S.C. 2091-2103), provides that the Employees life insurance fund is available for any expenses incurred by the Civil Service Commission in the administration of the act within such limitation as may be specified annually in appropriation acts. The use of these funds is reflected in the schedule for Advances and reimbursements.

1. *Administration of the basic insurance program.*—Expenses are incurred for functions pertaining to employees and annuitants covered under the basic provisions of the act.

2. *Beneficial association work.*—Expenses are incurred for functions pertaining to maintenance by the fund of life insurance agreements of employee beneficial associations.

Intragovernmental funds:

INVESTIGATIONS (REVOLVING FUND)

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 fiscal year and completed in another, work-in-process is recognized as an asset of the fund. Agency estimates of investigations to be requested in 1961 and 1962 as compared to 1960 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

	1960 actual	1961 estimate	1962 estimate
On hand, beginning of year.....	3,669	4,805	4,055
Received.....	25,547	26,000	25,000
Total workload.....	29,216	30,805	29,055
Processed.....	24,411	26,750	25,500
On hand, end of year.....	4,805	4,055	3,555
Average positions.....	932	1,020	995
Unit cost.....	\$352	\$350	\$350

The estimated decrease in costs for 1961 and 1962 resulted primarily from the lower number of points of investigation because of the reduced period of coverage. This saving was partially offset, however, by the recent pay raise and the cost of the new health benefits program.

Operating results and financial condition.—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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	3	70	55
Expense.....	8,125	9,284	8,786
Increase in selected working capital.....	27	159	35
Total gross expenditures.....	8,155	9,513	8,876
Receipts from operations (funds provided):			
Revenue.....	8,492	9,362	8,925
Proceeds from sale of equipment.....	3		
Total receipts from operations.....	8,495	9,362	8,925
Budget expenditures.....	-340	151	-49

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	8,492	9,362	8,925
Expense.....	8,487	9,362	8,925
Net operating income, sales program.....	5		
Nonoperating income:			
Proceeds from sale of fixed assets.....	3		
Allowances on equipment traded.....		17	6
Book value of equipment sold or traded (-).....	-4	-9	-6
Total nonoperating loss (-) or income.....	-1	8	
Net income for the year.....	4	8	
Analysis of retained earnings:			
Retained earnings, or deficit (-), beginning of year.....	-3	1	8
Payment of earnings to Treasury (-).....		-1	-8
Retained earnings, end of year.....	1	8	

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,772	3,595	3,636
Accounts receivable, net.....	777	975	930
Advances.....	38	40	40
Work-in-process.....	394	405	355
Equipment, net.....	193	183	149
Total assets.....	5,174	5,198	5,110
Liabilities:			
Current.....	1,149	1,190	1,110
Government investment:			
Non-interest-bearing capital:			
Start of year.....	4,007	4,024	4,000
Donated assets during the year.....	24		
Repayment of investment to Treasury (-).....	-7	-24	
End of year.....	4,024	4,000	4,000
Retained earnings.....	1	8	
Total Government investment.....	4,025	4,008	4,000

Note.—Unpaid undelivered orders are as follows: 1959, \$22 thousand; 1960, \$6 thousand; 1961, \$8 thousand; 1962, \$8 thousand

CIVIL SERVICE COMMISSION—Continued

Intragovernmental funds—Continued

INVESTIGATIONS (REVOLVING FUND)—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,950	6,849	6,715
Positions other than permanent.....	26	28	28
Other personnel compensation.....	246	301	50
Total personnel compensation.....	6,222	7,178	6,793
12 Personnel benefits:			
Contributions to—			
Civil service retirement and disability fund.....	393	453	429
Employees health benefits fund.....		47	45
Employees life insurance fund.....	21	24	23
Employers' share of FICA taxes.....	1	1	1
Incentive awards.....	8	8	7
21 Travel and transportation of persons:			
Regular travel expenses.....	955	1,030	974
Payment to interagency motor pools.....	4	4	4
22 Transportation of things:			
Shipment of household goods.....	19	25	23
Parcel post.....	4	5	5
23 Rent, communications, and utilities:			
Rent and utilities.....	96	104	96
Penalty mail.....	31	37	37
Telephone, teletype, and telegraph services.....	84	92	84
24 Printing and reproduction.....	25	26	26
25 Other services.....	190	173	169
26 Supplies and materials.....	70	77	69
31 Equipment:			
Expendable.....	1	1	1
Nonexpendable.....	3	70	55
Total accrued expenditures.....	8,128	9,354	8,841
Decrease (—) in unpaid undelivered orders and travel advances.....	—22	4	—
Total obligations.....	8,106	9,358	8,841

Personnel Summary

Total number of permanent positions.....	1,050	1,150	1,100
Full-time equivalent of other positions.....	7	7	7
Average number of all employees.....	932	1,020	995
Number of employees at end of year.....	902	1,100	1,000
Average GS grade.....	7.4	7.3	7.2
Average GS salary.....	\$6,225	\$6,595	\$6,605

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administrative expenses for full field security investigation program.....	155	135	135
2. Administration of Federal employees health benefits program.....	736	896	1,148
3. Administration of Federal employees life insurance program.....	233	260	262
4. Administration of retired Federal employees health benefits program.....		305	315
5. Conducting interagency training programs.....		86	212

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
6. Miscellaneous services to other agencies.....	241	198	198
Total obligations.....	1,365	1,880	2,270
Financing:			
Advances and reimbursements from—			
Other accounts.....	1,354	1,869	2,259
Non-Federal sources.....	11	11	11
Total financing.....	1,365	1,880	2,270

Note.—Reimbursements from non-Federal sources are derived from proceeds from the sale of personal property being replaced (40 U.S.C. 481(c)) and refunds of fees received by employees for jury duty (5 U.S.C. 30(p)).

These reimbursements provide for (1–4) administrative expenses for programs financed by the Investigations revolving fund, the Employees health benefits fund, the Employees life insurance fund, and the Retired employees health benefits fund for which the Commission is responsible; (5) the conduct of training programs for other agencies under the Government Employees Training Act (72 Stat. 327); and (6) miscellaneous services performed for other agencies.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	792	1,406	1,673
Positions other than permanent.....	2	8	20
Other personnel compensation.....	25	5	—
Total personnel compensation.....	819	1,419	1,693
12 Personnel benefits.....	54	109	130
21 Travel and transportation of persons.....	41	53	72
22 Transportation of things.....	4	3	5
23 Rent, communications, and utilities.....	52	122	88
24 Printing and reproduction.....	300	117	238
25 Other services.....	33	19	14
26 Supplies and materials.....	5	7	9
31 Equipment.....	57	31	21
Total obligations.....	1,365	1,880	2,270

Personnel Summary

Total number of permanent positions.....	165	230	255
Full-time equivalent of other positions.....		1	2
Average number of all employees.....	121	207	249
Number of employees at end of year.....	154	220	250
Average GS grade.....	7.4	7.3	7.2
Average GS salary.....	\$6,225	\$6,595	\$6,605

ADVANCES AND REIMBURSEMENTS, PRESIDENT'S COMMITTEE ON FUND RAISING WITHIN THE FEDERAL SERVICE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	—51	—51	—
Advances and reimbursements from other accounts.....	54	51	—

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance lapsing.....	-3		
Total financing			

Proposed for later transmission:

GOVERNMENT CONTRIBUTIONS, RETIRED EMPLOYEES HEALTH BENEFITS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Government contribution for retired employees benefits.....		1,716	
2. Government contribution to administrative expenses.....		34	
Total program costs—obligations		1,750	
Financing:			
New obligational authority (proposed supplemental appropriation).....		1,750	

Under existing legislation, 1961.—A supplemental appropriation for 1961 is anticipated to cover the Government's contribution for the month of June 1961 on behalf of annuitants and survivors participating in the retired Federal employees health benefits program.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Proposed rescission of appropriation.....			-44,637

Under proposed legislation, 1962.—Legislation will be proposed to repeal the requirement for a specific appropriation to cover the cost of annuities and increased annuities as specified in the act of June 25, 1958 (72 Stat. 218).

COMMISSION ON CIVIL RIGHTS

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Commission on Civil Rights, including hire of passenger motor vehicles, ~~[\$850,000]~~ \$302,000. (Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Investigations and studies of civil rights matters (total program costs ¹).....	772	884	332

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-17		-30
Obligations incurred for costs of other years, net.....		4	
Total obligations	755	888	302
Financing:			
Unobligated balance lapsing.....	25		
New obligational authority	780	888	302
New obligational authority:			
Appropriation.....	780	850	302
Proposed supplemental due to pay increases.....		38	

¹ Includes capital outlay as follows: 1960, \$5 thousand; 1961, \$6 thousand.

1. *Investigations and studies 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. In 1961, the Commission has extended its studies to the areas of employment and administration of justice. Under present law, the life of the Commission will expire 60 days after the submission of a final report to the President and the Congress on September 9, 1961.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$21 thousand; 1959 (adjusted), \$43 thousand; 1960, \$26 thousand; 1961, \$30 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	445	517	169
Positions other than permanent.....	52	54	25
Other personnel compensation.....	14	2	
Total personnel compensation	511	573	194
12 Personnel benefits.....	29	42	15
21 Travel and transportation of persons.....	74	140	40
23 Rent, communications, and utilities.....	26	19	8
24 Printing and reproduction.....	50	45	22
25 Other services.....	12	15	3
Services of other agencies.....	37	41	15
26 Supplies and materials.....	10	10	3
31 Equipment.....	6	3	
Total obligations	755	888	302

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	67	73	73
Full-time equivalent of other positions.....	7	7	3
Average number of all employees.....	71	75	25
Number of employees at end of year.....	82	80	0
Average GS grade.....	8.2	8.5	8.5
Average GS salary.....	\$6,764	\$7,499	\$7,613
Average salary of ungraded positions.....	\$4,160	\$4,492	\$4,492

COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE

Current authorizations:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Study of international rules of judicial procedure (total costs—obligations).....	25		
Financing:			
Unobligated balance brought forward.....	-25		
New obligational authority (appropriation)			

The Commission was established to investigate and study existing practices of judicial assistance and co-operation between the United States and foreign countries and to draft agreements to be negotiated by the Secretary of State and recommend legislation or other action to the President with a view to achieving improvements. An advisory committee, composed of persons active in public life, particularly in the legal profession was created to advise and consult with the Commission.

The life of the Commission was extended by law from December 31, 1959, to December 31, 1961. However, appropriated funds were available only until December 31, 1959.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	21		
12 Personnel benefits.....	1		
21 Travel and transportation of persons.....	1		
25 Other services.....	2		
Total obligations	25		

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	2		
Number of employees at end of year.....	0		
Average salary of ungraded positions.....	\$7,978		

EXPORT-IMPORT BANK OF WASHINGTON

The 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 current fiscal year for such corporation, except as hereinafter provided: (*Mutual Security and Related Agencies Appropriation Act, 1961.*)

Public enterprise funds:

EXPORT-IMPORT BANK OF WASHINGTON FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Loan and guarantee program:			
Direct loan commitments:			
Development project loans.....	371,344	557,000	602,000
Exporter loans.....	30,153	110,000	125,000
Commodity loans.....	70,000	35,000	40,000
Emergency foreign trade loans.....	285,000	200,000	150,000
Political risk export guarantees.....	17,204	150,000	225,000
Total commitments	773,701	1,052,000	1,142,000
Reservations at beginning of year.....	367,552	310,208	350,000
Reservations at close of year (-).....	-310,208	-350,000	-370,000
Total loan and guarantee program	831,045	1,012,208	1,122,000
2. Insurance	9,300	10,000	10,000
3. Administration:			
Expenses subject to limitation.....	2,232	2,697	2,750
Other expenses.....	20	50	53
Purchase of equipment, capitalized.....	33	70	40
Total administration	2,285	2,817	2,843
4. Interest on borrowings from Treasury	45,385	42,300	43,225
Total obligations	888,015	1,067,325	1,178,068
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection of loans.....	628,351	391,630	409,653
Loans financed by private capital.....	22,409	109,400	147,600
Interest revenue from loans.....	133,837	140,684	141,069
Political risk guarantee fees.....		75	150
Insurance premiums.....	10	11	11
Recovery of prior year obligations.....	76,612	167,643	254,628
Total amounts becoming available	861,219	809,443	953,111
Unobligated balance brought forward (authorization to expend from public debt receipts).....	3,175,481	3,126,185	2,845,803
Total amounts available	4,036,700	3,935,628	3,798,914
Capital transfer (payment of dividend to Treasury) (-).....	-22,500	-22,500	-22,500
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-3,126,185	-2,845,803	-2,598,346
Financing applied to program	888,015	1,067,325	1,178,068

The Export-Import Bank of Washington facilitates and assists in financing U.S. foreign trade. To do this it participates in or guarantees credits extended by U.S. exporters, commercial banks, and other financial institutions to foreign purchasers of exports from the United States, and also makes direct loans to finance U.S. exports. The Bank initiated two new services in 1960: First, a plan of guarantees covering political risks on short and medium term export transactions; second, participation by the Bank in

financing certain medium-term exporter loans relying solely upon the credit judgment of a U.S. commercial bank. In addition, the Bank insures against risks of war and expropriation of certain exports held abroad on consignment awaiting sale. The total amount of dollar loans, guarantees, 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, and to encourage 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.

Development project loans.—A major portion of the Bank's assistance for the exportation of U.S. 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 help lay the foundation for expanded future trade through strengthening foreign economies.

It is estimated that 85 loans will be authorized by the Bank during 1962 to finance exports of equipment and related services for such projects abroad involving power, agriculture, transportation, and industrial development. This compares to 59 loans in 1960 and 80 estimated in 1961.

DATA ON DEVELOPMENT PROJECT LOANS

	[In millions of dollars]		
	1960 actual	1961 estimate	1962 estimate
Export-Import Bank funds:			
Credit authorizations.....	371.3	557.0	602.0
Loan disbursements.....	324.2	374.9	487.7
Loan principal repayments.....	138.0	156.3	206.4
Loans outstanding June 30.....	1,767.5	1,895.4	2,052.7
Loans financed by private capital.....	20.2	90.0	124.0

Exporter loans.—Medium-term credit assistance requested by individual exporters is authorized on a case-by-case basis to assist them to sell abroad on deferred payments. Under each of these credits the Bank participates with an exporter or a U.S. bank in jointly financing an export sale. Such loans authorized in 1960 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 the approximate terms he will be able to offer on 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 of dollars]		
	1960 actual	1961 estimate	1962 estimate
Export-Import Bank funds:			
Credit authorizations.....	30.2	110.0	125.0
Loan disbursements.....	33.0	90.0	95.6
Loan principal repayments.....	16.3	18.4	18.0
Loans outstanding June 30.....	62.9	119.8	180.8
Loans financed by private capital.....	2.2	14.4	16.6

Commodity loans.—Credits are authorized by the Bank to finance the sale abroad of U.S. commodities such as cotton, wheat, barley, soybeans, and tobacco, involving medium-term financing for periods of from 9 months to several years when credit is not available from private

sources. Credits for the sale of U.S. beef and dairy cattle also have been authorized to Mexico and Latin America.

DATA ON COMMODITY LOANS

	[In millions of dollars]		
	1960 actual	1961 estimate	1962 estimate
Export-Import Bank funds:			
Credit authorizations.....	70.0	35.0	40.0
Loan disbursements.....	16.9	20.7	16.0
Loan principal repayments.....	44.0	15.4	7.4
Loans outstanding June 30.....	15.5	15.8	17.4
Loans financed by private capital.....	.....	5.0	7.0

Emergency foreign trade loans.—From time to time the Bank is called upon to provide financial assistance to meet emergency situations adversely affecting normal trade between the United States and another country. Such loans may take the form of lines of credit to a foreign central bank or other bank or financial institution to provide dollar exchange for a wide range of U.S. exports; credits to fund commercial arrearages resulting from dollar exchange difficulties so that normal trade may be resumed; or credits to assist in financing purchases in the United States required for reconstruction abroad following a national disaster.

DATA ON EMERGENCY FOREIGN TRADE LOANS

	[In millions of dollars]		
	1960 actual	1961 estimate	1962 estimate
Export-Import Bank funds:			
Credit authorizations.....	285.0	200.0	150.0
Loan disbursements.....	47.1	10.0	50.0
Loan principal repayments.....	431.2	201.5	177.9
Loans outstanding June 30.....	1,385.9	1,194.4	1,066.5

¹ Includes reinstatement of \$250 million to United Kingdom.

Political risk guarantees.—Under the new program of short-term political risk guarantees, as of June 30, 1960, the Bank had approved 28 contracts with total limitation on liability thereunder of \$17,204 thousand. It is estimated that 250 contracts with liability of \$150 million will be approved in 1961, and 350 contracts for \$225 million in 1962.

Insurance.—The Bank insures against the risks of war and expropriation certain property of U.S. exporters which is held abroad on consignment awaiting sale. A total of 242 policies were issued by the Bank in 1960 covering cotton and tobacco valued at \$9.3 million. It is estimated that policies covering cotton and tobacco to a value of \$10 million will be issued in 1962.

Administrative expenses.—To carry out the Bank's lending, collecting, and other operations in 1962 it is estimated that a limitation of \$2,750 thousand for administrative expenses is necessary, an increase of \$53 thousand over the 1961 limitation. In addition, it is estimated that audit and legal fees, and purchase of equipment will require \$93 thousand.

Other operations.—The Bank serves as administering agent for mutual security loans and guarantees 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. The Bank also makes loans in foreign currency under the Cooley amendment to Public Law 480. It also acts as collecting agent for the Treasury on the debt settlement agreement with the Federal Republic of Germany, and in liquidation of certain foreign loans of the Reconstruction Finance Corporation.

EXPORT-IMPORT BANK OF WASHINGTON—Con.**Public enterprise funds—Continued****EXPORT-IMPORT BANK OF WASHINGTON FUND—Continued**

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, 1960, outstanding borrowings from the Treasury were \$1,631.2 million. Notes outstanding on June 30, 1962, are expected to be \$1,579.2 million. In addition, the Bank arranges the participation of private capital in loans approved by the Bank, and sells notes from its portfolio, thus minimizing the investment of public funds necessary. It is anticipated that total receipts will equal total disbursements in 1962, resulting in no net budget expenditure in that year.

On June 30, 1962, the total amount committed is estimated to be \$5,461.2 million, leaving a margin of \$1,538.8 million for additional commitments. Because disbursements occur over a period following commitment, it is estimated that the unobligated balance of the Bank's authorization to borrow from the Treasury will be \$2,598.3 million at June 30, 1962.

POSITION WITH RESPECT TO LENDING, GUARANTEE, AND INSURANCE AUTHORITY

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Statutory authority.....	7,000,000	7,000,000	7,000,000
Charges against authority:			
Direct loans outstanding.....	3,230,775	3,225,335	3,317,363
Guaranteed loans outstanding.....	996	(¹)	(¹)
Political risk guarantees outstanding.....	17,204	140,000	290,000
Undisbursed loan commitments:			
Agreements executed.....	1,259,818	1,405,036	1,483,155
Agreements pending.....	310,208	350,000	370,000
Unexpired insurance policies.....	718	700	700
Total charges against authority..	4,819,719	5,121,071	5,461,218
Unused authority ²	2,180,281	1,878,929	1,538,782

¹ Not determinable.² Includes administrative reserve for insurance: 1959, \$50 thousand; 1960, \$49 thousand; 1961, \$49 thousand; 1962, \$49 thousand.

Operating results and financial condition.—During the coming year the net income of the Bank is expected to amount to \$95.2 million. The budget provides for continuation of dividends to the Treasury of \$22.5 million annually through 1962 in lieu of interest on the Treasury investment in the Bank's capital stock. The remaining earnings are retained to meet future contingencies. Total investment of the Government in the corporation is expected to be \$3,361.1 million at the end of 1962, consisting of \$1 billion in capital stock, \$1,579.2 million of borrowings from Treasury, and \$781.9 million of retained earnings available for future contingencies.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loan and guarantee program:			
Acquisition of loans.....	421,220	495,590	649,281
Acquisition of equipment.....	33	70	40
Expense.....	47,633	45,017	45,995
Reimbursable expense.....	58	60	60
Insurance program: Expense.....	4	5	5

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Con.			
Increase in selected working capital.....	1,656	4,140	3,162
Total gross expenditures.....	470,604	544,882	698,543
Receipts from operations (funds provided):			
Loan and guarantee program:			
Loans repaid.....	628,351	391,630	409,653
Loans financed by private capital.....	22,409	109,400	147,600
Revenue.....	133,837	140,759	141,219
Reimbursement of expense.....	58	60	60
Insurance program: Revenue.....	10	11	11
Total receipts from operations.....	784,665	641,860	698,543
Budget expenditures.....	-314,061	-96,978	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Loan and guarantee program:			
Revenue.....	133,837	140,759	141,219
Expense.....	47,656	45,042	46,023
Net operating income, loan and guarantee program.....	86,181	95,717	95,196
Insurance program:			
Revenue.....	10	11	11
Expense.....	4	5	5
Net operating income, insurance program.....	6	6	6
Losses on loans.....	-128	-----	-----
Net income for the year.....	86,059	95,723	95,202
Analysis of retained earnings:			
Retained earnings, beginning of year.....	572,381	635,940	709,163
Payment of dividend to Treasury (-).....	-22,500	-22,500	-22,500
Retained earnings, end of year.....	635,940	709,163	781,865

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury and in banks.....	953	931	931
Accounts receivable, net.....	40,402	43,929	48,306
Supplies.....	6	6	6
Loans receivable.....	3,230,775	3,225,335	3,317,363
Furniture and equipment, net.....	147	192	204
Total assets.....	3,272,283	3,270,393	3,366,810
Liabilities:			
Current.....	5,143	4,530	5,745
Government investment:			
Interest-bearing capital:			
Start of year.....	1,922,600	1,631,200	1,556,700
Borrowings from Treasury during year, net.....	-291,400	-74,500	22,500
End of year.....	1,631,200	1,556,700	1,579,200
Non-interest-bearing capital: Capital stock.....	1,000,000	1,000,000	1,000,000
Retained earnings.....	635,940	709,163	781,865
Total Government investment.....	3,267,140	3,265,863	3,361,065

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury and in banks.....	792	953	931	931
Budget authorization.....	4,077,400	4,368,800	4,443,300	4,420,800
Total unexpended balance.....	4,078,192	4,369,753	4,444,231	4,421,731

Status of Certain Fund Balances (in thousands of dollars)—Continued				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Obligated balance, net:				
Current liabilities.....	4,375	5,143	4,530	5,745
Undisbursed commitments:				
Unpaid undelivered orders.....	11	31	31	31
Guaranteed bank loans.....	2,120	996	(¹)	(¹)
Guaranteed letters of credit.....	137,703	105,920	118,000	125,000
Political risk export guarantees.....		17,204	140,000	290,000
Commitments for loans.....	795,907	1,153,898	1,379,036	1,450,155
Insurance in force.....	456	718	700	700
Contingent liability for indemnification of purchaser of acquired property.....	120	60	60	60
Accounts receivable, net (—).....	-37,981	-40,402	-43,929	-48,306
Total obligated balance.....	902,711	1,243,568	1,598,428	1,823,385
Unobligated balance.....	3,175,481	3,126,185	2,845,803	2,598,346

¹ Not determinable.

Note.—Undisbursed loan authorizations for which agreements have not been executed are as follows: 1959, \$367,552 thousand; 1960, \$310,208 thousand; 1961, \$350,000 thousand; 1962, \$370,000 thousand.

LIMITATION ON ADMINISTRATIVE EXPENSES, EXPORT-IMPORT BANK OF WASHINGTON

Not to exceed **[\$2,675,000] \$2,750,000** (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, [purchase of one passenger motor vehicle (for replacement only) at not to exceed \$6,250,] and not to exceed \$9,000 for entertainment allowances for members of the Board of Directors; 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 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. (*Mutual Security and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration:			
Loan and guarantee program.....	2,099	2,519	2,560
Insurance program.....	1	1	1
Private enterprise loans from foreign currencies.....	135	177	189
Total accrued expenses—costs.....	2,235	2,697	2,750
Financing:			
Unobligated balance lapsing.....	265		
Limitation.....	2,500	2,675	2,750
Proposed increase in limitation due to pay increases.....		22	

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,688	1,966	2,054
Positions other than permanent.....	4	21	26
Other personnel compensation.....	37	56	41
Total personnel compensation.....	1,729	2,043	2,121
12 Personnel benefits.....	116	146	158
21 Travel and transportation of persons.....	82	139	137
22 Transportation of things.....		3	2
23 Rent, communications, and utilities.....	177	199	228
24 Printing and reproduction.....	45	28	30
25 Other services.....	20	56	37
Services of other agencies.....	47	55	14
26 Supplies and materials.....	19	22	23
31 Equipment.....		6	
Total accrued expenses—costs.....	2,235	2,697	2,750

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	250	257	264
Full-time equivalent of other positions.....		1	2
Average number of all employees.....	218	238	249
Number of employees at end of year.....	229	247	249
Average GS grade.....	8.8	8.9	8.9
Average GS salary.....	\$7,587	\$8,228	\$8,177

LIQUIDATION OF CERTAIN RECONSTRUCTION FINANCE CORPORATION ASSETS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Expense.....	1	1	1
Interest on borrowings.....	194	73	
Total program costs—obligations.....	195	74	1
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans.....	9,006	3,006	3,006
Sale of investments.....			1,250
Interest revenue from loans.....	264	113	
Total amounts becoming available.....	9,270	3,119	4,256
Unobligated balance brought forward.....	43	6	16
Total amounts available.....	9,313	3,125	4,272
Repayment of borrowings from Treasury (no longer available) (—).....	-9,112	-3,024	-2,155
Capital transfers:			
Repayment of investment to Treasury (—).....		-11	-1,257
Payment of earnings to Treasury (—).....			-859
Unobligated balance carried forward.....	-6	-16	
Financing applied to program.....	195	74	1

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.

EXPORT-IMPORT BANK OF WASHINGTON—Con.**Public enterprise funds—Continued****LIQUIDATION OF CERTAIN RECONSTRUCTION FINANCE CORPORATION ASSETS—Continued**

Liquidating proceeds of these assets are paid to the Treasury, and are not available for future borrowing. Revenue and receipts are estimated to amount to \$3,119 thousand in 1961 and \$4,272 thousand in 1962, thereby eliminating the investment of the U.S. Government.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	195	74	1
Increase in selected working capital.....		16	
Total expenditures.....	195	90	1
Receipts from operations (funds provided):			
Loans repaid.....	9,006	3,006	3,006
Revenue.....	264	113	
Proceeds from sale of investments.....			1,250
Decrease in selected working capital.....	43		16
Total receipts from operations.....	9,313	3,119	4,272
Budget expenditures.....	-9,118	-3,029	-4,271

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	264	113	
Expense.....	195	74	1
Net income or loss (—) for the year.....	69	39	-1
Analysis of retained earnings:			
Retained earnings, beginning of year.....	752	821	860
Payment of earnings to Treasury (—).....			-859
Retained earnings, end of year.....	821	860	

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash.....	6		
Accounts receivable, net.....		38	
Loans receivable.....	6,012	3,006	
Investments, net.....	1,250	1,250	
Total assets.....	7,268	4,294	
Liabilities:			
Current.....		22	
Government investment:			
Interest-bearing capital:			
Start of year.....	14,291	5,179	2,155
Repayment of borrowings to Treasury (—).....	-9,112	-3,024	-2,155
End of year.....	5,179	2,155	
Non-interest-bearing capital:			
Start of year.....	1,268	1,268	1,257
Repayment of investment to Treasury (—).....		-11	-1,257
End of year.....	1,268	1,257	
Retained earnings.....	821	860	
Total Government investment.....	7,268	4,272	

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....		6		
Obligated balance, net:				
Current liabilities.....	143		22	
Accounts receivable, net (—).....	-186		-38	
Total obligated balance.....	-43		-16	
Unobligated balance.....	43	6	16	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	1	1	1
43 Interest and dividends.....	194	73	
Total obligations.....	195	74	1

INFORMATIONAL FOREIGN CURRENCY SCHEDULE**Private Enterprise Loans From Foreign Currencies, Agricultural Trade Development and Assistance Act of 1954, as Amended****Program and Financing (in thousand of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loans.....	17,398	67,500	72,900
Operating expenses.....	65	200	200
Total obligations.....	17,463	67,700	73,100
Financing:			
Authorization to expend foreign currency receipts (7 U.S.C. 1704).....	98,659	127,500	100,000
Unobligated balance brought forward.....	197,646	278,842	338,642
Unobligated balance carried forward.....	-278,842	-338,642	-365,542
Financing applied to program.....	17,463	67,700	73,100

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 U.S. agricultural products abroad. These loans are made from a share of the proceeds of the sale 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. The Bank anticipates that obligations will increase sharply in 1961 over 1960 by a speedup in obtaining signed loan agreements with borrowers, and because allocations will become funded at a faster rate as current Bureau of the Budget and Treasury Department procedures for funding become fully operative.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	2	25	30
22 Transportation of things.....			1
23 Rent, communications, and utilities.....		4	4

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	63	170	164
26 Supplies and materials.....		1	1
33 Investments and loans.....	17,398	67,500	72,900
Total obligations.....	17,463	67,700	73,100

Analysis of Expenditures (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	12,214	9,646	46,506
Obligations incurred during year, net.....	17,463	67,700	73,100
Obligated balance carried forward.....	-9,646	-46,506	-70,855
Expenditures.....	20,031	30,840	48,751

Status of Unfunded Allocations (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	170,758	133,977	133,477
Allocations.....	98,659	127,500	100,000
Unfunded balance carried forward.....	-133,977	-133,477	-140,477
Transfers into agency account.....	135,440	128,000	93,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred from other accounts are included in the schedules of the parent appropriation as follows:
 "Mutual security—economic," funds appropriated to the President.
 "Revolving fund, Defense Production Act," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loans and guarantee management for other agencies (total obligations).....	58	60	60
Financing:			
Advances and reimbursements from other accounts.....	58	60	60

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	51	53	53
12 Personnel benefits.....	3	3	3
23 Rent, communications, and utilities.....	3	3	3
24 Printing and reproduction.....	1	1	1
Total obligations.....	58	60	60

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Number of permanent positions.....	8	8	8
Average number of all employees.....	8	8	8
Number of employees at end of year.....	8	8	8
Average GS grade.....	8.8	8.9	8.9
Average GS salary.....	\$7,587	\$8,228	\$8,177

FARM CREDIT ADMINISTRATION

Permanent authorizations:

ADMINISTRATIVE EXPENSES

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative expenses (total costs—obligations).....	2,256	2,589	2,590
Financing:			
Unobligated balance brought forward.....	-940	-1,058	-1,058
Recovery of prior year obligations.....	-2		
Unobligated balance carried forward.....	1,058	1,058	1,058
New obligational authority (appropriation)	2,373	2,589	2,590

Assessments based upon estimated administrative expenses are collected from agencies in the farm credit system, are appropriated to this special fund account, and are made available for administrative expenses. Obligations are incurred within fiscal year limitations under Limitation on administrative expenses.

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed **[\$2,480,000]** \$2,590,000 (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Supervision and examination of farm credit banks and associations (total program costs).....	2,247	2,605	2,590
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		-16	
Obligations incurred for costs of other years, net.....	9		
Total obligations.....	2,256	2,589	2,590
Financing:			
Unobligated balance lapsing.....	54		
Limitation	2,310	2,480	2,590
Proposed increase in limitation due to pay increases.....		109	

The Administration supervises a coordinated agricultural credit system of farm credit banks and associations which make credit available to farmers and their cooperatives.

1. *Supervision and examination of farm credit banks and associations.*—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);

FARM CREDIT ADMINISTRATION—Continued

Permanent authorizations—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES—Continued

the Federal Farm Mortgage Corporation (wholly Government-owned); 817 Federal land bank associations; and 494 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.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$13 thousand; 1960, \$22 thousand; 1961, \$6 thousand; 1962, \$6 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,701	1,955	1,968
Positions other than permanent: Board compensation.....	36	38	38
Other personnel compensation.....	13	12	5
Total personnel compensation.....	1,750	2,005	2,011
12 Personnel benefits.....	118	155	156
21 Travel and transportation of persons.....	290	357	357
22 Transportation of things.....	7	3	2
23 Rent, communications, and utilities.....	27	28	28
24 Printing and reproduction.....	13	12	9
25 Other services.....	16	5	5
Services of other agencies.....	8	8	8
26 Supplies and materials.....	14	15	11
31 Equipment.....	4	17	3
Total costs.....	2,247	2,605	2,590
Costs financed from obligations of other years, net (—).....		—16	
Obligations incurred for costs of other years, net.....	9		
Total obligations.....	2,256	2,589	2,590

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	247	235	230
Full-time equivalent of other positions.....	4	4	4
Average number of all employees.....	220	232	229
Number of employees at end of year.....	230	229	228
Average GS grade.....	9.1	9.4	9.5
Average GS salary.....	\$7,542	\$8,302	\$8,489
Average salary of ungraded positions.....	\$4,237	\$4,278	\$4,278

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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Preserving, leasing, and disposing of reserved mineral interests (total costs—obligations) (object class 25).....	1	2	1
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of notes receivable.....	1,669	1,742	666
Leases and sale of reserved mineral interests.....	5		
Total amounts becoming available.....	1,674	1,742	666
Unobligated balance brought forward.....	395	347	366
Total amounts available.....	2,069	2,089	1,032
Capital transfer (payment of earnings to Treasury) (—).....	—1,700	—1,700	—800
Unobligated balance carried forward.....	—347	—366	—210
Unobligated balance lapsing.....	—21	—21	—21
Financing applied to program.....	1	2	1

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 the 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 1962, after making dividend payments to the Treasury of \$800 thousand, are expected to be \$1.6 million. Payments will continue to be made to the Treasury until final liquidation.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	1	2	1
Increase in selected working capital.....	2	3	3
Total gross expenditures.....	3	5	4
Receipts from operations (funds provided):			
Collection of notes receivable—Federal land banks.....	1,669	1,742	666
Revenue.....	5		
Total receipts from operations.....	1,674	1,742	666
Budget expenditures.....	—1,671	—1,737	—662

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960	1961	1962
Nonoperating income or loss (—):			
Revenue.....	5		
Expense.....	1	2	1
Net income or loss (—) for the year.....	4	—2	—1
Analysis of retained earnings:			
Retained earnings, beginning of year.....	5,783	4,087	2,385
Payment of earnings to Treasury (—).....	—1,700	—1,700	—800
Retained earnings, end of year.....	4,087	2,385	1,584

Financial Condition (in thousands of dollars)				
	1960 actual	1961 estimate	1962 estimate	
Assets:				
Cash with Treasury.....	388	404	245	
Notes receivable—Federal land banks.....	3,933	2,191	1,525	
Total assets.....	4,321	2,595	1,770	
Liabilities:				
Current.....	41	38	35	
Bonds payable—held by public, matured principal.....	193	172	151	
Total liabilities.....	234	210	186	
Government investment:				
Retained earnings.....	4,087	2,385	1,584	
Status of Certain Fund Balances (in thousands of dollars)				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury....	439	388	404	245
Obligated balance, net: Current liabilities....	43	41	38	35
Unobligated balance.....	395	347	366	210

FEDERAL INTERMEDIATE CREDIT BANKS INVESTMENT FUND
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate	
Program by activities:				
Purchase of capital stock of Federal intermediate credit banks (total costs—obligations) (object class 33).....	6,250	9,000	8,000	
Financing:				
Unobligated balance brought forward.....	28,100	21,850	12,850	
Unobligated balance carried forward.....	-21,850	-12,850	-4,850	
Financing applied to program.....	6,250	9,000	8,000	

This fund is available to the Governor of the 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 in 1961 and 1962 for investment in class A stock of the banks. An estimate of \$9 million net investment is made for 1961 and \$8 million for 1962, leaving an unobligated balance of \$4,850 thousand available for future purchases of stock. 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.—Under section 105(d)(3) of the Farm Credit Act of 1956, the revolving fund authorization was increased from \$40 million to \$70 million by making this fund in effect the owner of \$30 million of class A stock. Of the \$87,405 thousand of such stock outstanding as of January 1, 1957, the sum of \$57,405 thousand must be retired by payments into the Treasury as miscellaneous receipts. When the balance is reduced to \$30 million the remaining proceeds from retirement of such stock will be credited to the revolving fund.

Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of capital stock of the Federal intermediate credit banks.....	6,250	9,000	8,000
Budget expenditures.....	6,250	9,000	8,000
Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury.....	21,850	12,850	4,850
Investment in capital stock of Federal intermediate credit banks:			
Old issue.....	30,000	30,000	30,000
New issue.....	18,150	27,150	35,150
Total assets.....	70,000	70,000	70,000
Government investment:			
Non-interest-bearing capital (start and end of year).....	70,000	70,000	70,000

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	28,100	21,850	12,850	4,850

PRODUCTION CREDIT ASSOCIATIONS INVESTMENT FUND
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase of capital stock of production credit associations (total costs—obligations) (object class 33).....	60	3,500	4,000
Financing:			
Amounts becoming available: Repayment of investment in capital stock of production credit associations.....	1,505	1,300	2,000
Unobligated balance brought forward.....	56,135	57,580	55,380
Total amounts available.....	57,640	58,880	57,380
Unobligated balance carried forward.....	-57,580	-55,380	-53,380
Financing applied to program.....	60	3,500	4,000

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 \$3.5 million is made for 1961 and \$4 million for 1962. 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 million in the fund authorized for financing the capital needs of the production credit

FARM CREDIT ADMINISTRATION—Continued**Public enterprise funds—Continued****PRODUCTION CREDIT ASSOCIATIONS INVESTMENT FUND—Continued**

associations, it is estimated that \$4.6 million will be invested at the end of 1961. An additional \$2 million net investment in the associations is expected in 1962, leaving an unobligated balance of \$53.4 million available for future purchases of stock.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of capital stock in production credit associations.....	60	3,500	4,000
Receipts from operations (funds provided):			
Repayment of investment in capital stock of production credit associations.....	1,505	1,300	2,000
Budget expenditures	-1,445	2,200	2,000

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	57,580	55,380	53,380
Investment in capital stock of production credit associations.....	2,420	4,620	6,620
Total assets	60,000	60,000	60,000
Government investment:			
Non-interest-bearing capital (start and end of year).....	60,000	60,000	60,000

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	56,135	57,580	55,380	53,380

BANKS FOR COOPERATIVES INVESTMENT FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Retirement of investments in capital stock of—			
District banks for cooperatives.....	6,759	5,902	6,000
Central Bank for Cooperatives.....	1,700	2,150	2,000
Revenue.....	1		
Total amounts becoming available	8,460	8,052	8,000
Unobligated balance brought forward.....	51,119	59,579	67,632
Total amounts available	59,579	67,632	75,632
Unobligated balance carried forward.....	-59,579	-67,632	-75,632
Financing applied to program			

This fund, formerly the Agricultural marketing revolving 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).

The fund was created with \$500 million capital in 1929. The capital had been reduced to \$169,969 thousand by June 30, 1953, by writeoffs as follows (in thousands of dollars):

Losses:	
On Red Cross donations.....	197,385
On assets acquired under Agricultural Adjustment Act.....	46,306
On stabilization loans.....	85,551
On drought relief loans.....	789
Total	330,031

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.—Investment in capital stock will continue to be reduced through 1962, thereby increasing the cash of the fund. Earnings are retained to provide for the future purchase of stock.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Retirement of investments in capital stock of—			
District banks for cooperatives.....	6,759	5,902	6,000
Central Bank for Cooperatives.....	1,700	2,150	2,000
Revenue.....	1		
Total receipts from operations	8,460	8,052	8,000
Budget expenditures	-8,460	-8,052	-8,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Retained earnings, beginning of year.....	15,949	15,950	15,950
Revenue (net income for the year).....	1		
Retained earnings, end of year	15,950	15,950	15,950

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	59,579	67,632	75,632
Investments in capital stock of—			
District banks for cooperatives.....	81,489	75,587	69,587
Central Bank for Cooperatives.....	44,850	42,700	40,700
Total assets	185,918	185,918	185,918
Government investment:			
Non-interest-bearing capital (start and end of year).....	169,968	169,968	169,968
Retained earnings (unreserved).....	15,950	15,950	15,950
Total Government investment	185,918	185,918	185,918

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	51,119	59,579	67,632	75,632

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 Banks for cooperatives investment fund and from borrowing farmers' cooperative associations (12 U.S.C. 1134). The Farm Credit Act of 1955 provides for eventual ownership of the banks by farmers' cooperatives and the retirement of the U.S. Government investment.

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 \$8,052 thousand have been made for 1961, and it is estimated that \$8 million will be retired in 1962. As of June 30, 1960, the U.S. Government owned capital stock in the banks in the amount of \$126,339 thousand.

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30, 1960

[In thousands of dollars]

Assets:		
Cash.....	17,920	
U.S. securities (par \$42,963).....	43,000	
Loans to cooperative associations.....	550,713	
Notes receivable, sales contracts, etc.....	2,385	
Accrued interest receivable.....	6,890	
Total.....	559,988	
Less allowance for losses.....	4,144	
	555,844	
Other assets.....	6,947	
Less allowance for losses.....	663	
	6,284	
Total assets.....	623,050	
Liabilities and capital:		
Unmatured debentures outstanding.....	330,000	
Matured debentures—principal and interest.....	229	
Notes payable:		
Commercial banks.....	1,900	
Federal intermediate credit banks.....	2,000	
Federal land banks.....	10,250	
Dividends payable on class B capital stock and guarantee fund.....	446	
Federal franchise tax payable.....	1,528	
Other liabilities.....	6,309	
Capital: Privately owned capital:		
Capital stock:		
Class B.....	14,010	
Class C.....	31,626	
Other.....	253	
	45,889	
Earned surplus:		
Surplus—reserved.....	18,705	
Surplus allocated to patrons.....	10,049	
	28,754	
Government investment:		
Unretired class A capital stock.....	118,287	
Class A stock called for retirement.....	8,052	
	126,339	
Retained earnings (reserved).....	69,406	
	270,388	
Total.....	623,050	

FEDERAL INTERMEDIATE CREDIT BANKS

The Federal intermediate credit banks serve as banks of discount for agriculture, discounting agricultural and live-stock paper for local financing institutions, such as production credit associations, agricultural credit corporations, livestock loan companies, and commercial banks, and making loans to them on the security of such paper, and providing the production credit associations with necessary supervision and services. The banks were originally wholly owned Government corporations set up to serve exclusively as banks of discount; however, pursuant to the

act of 1956 the banks became mixed-ownership corporations and were made responsible for supervising and assisting the production credit associations to enable them to make sound credit available to farmers.

All of the capital stock of the Federal intermediate credit banks from organization in 1923 to December 31, 1956, was held by the U.S. Government. The 1956 act provided a long-range plan for the acquisition of credit bank stock by production credit associations and the gradual retirement of the Government's investment in the banks. However, in the last few years the banks have been called upon to provide associations with substantially more funds to finance the short-term needs of farmers and it has been necessary for the Federal Government to invest additional capital in the banks in order to keep the debt-to-capital ratios within the 10 to 1 maximum permitted by law. These funds have been obtained from the Federal intermediate credit banks investment fund which was authorized in the 1956 act.

STATEMENT OF FINANCIAL CONDITION AS OF JUNE 30, 1960

[In thousands of dollars]

Assets:		
Cash.....	12,375	
U.S. securities (par \$106,313).....	105,990	
Loans and discounts outstanding.....	1,697,847	
Other assets, net.....	37,586	
Total assets.....	1,853,799	
Liabilities and capital:		
Unmatured debentures outstanding.....	1,599,600	
Matured debentures—principal and interest.....	392	
Notes payable:		
Commercial banks.....	23,650	
Other farm credit banks.....	8,650	
Federal franchise tax payable.....	1,129	
Other liabilities.....	35,825	
Capital: Privately owned capital:		
Class B capital stock—production credit associations.....	23,623	
Participation certificates: Other financing institutions.....	853	
	24,476	
Earned surplus:		
Surplus—reserved.....	13,254	
Legal reserve.....	5,022	
	18,275	
	42,751	
Government investment:		
Class A capital stock.....	91,989	
Retained earnings (reserved).....	49,813	
	141,802	
Total.....	1,853,799	

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations).....	40		
Financing:			
Advances and reimbursements from other accounts.....	40		

FARM CREDIT ADMINISTRATION—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	40		
Personnel Summary			
Average number of all employees.....	3		
Number of employees at end of year.....	0		

FEDERAL AVIATION AGENCY

The Federal Aviation Agency encourages and fosters the development of civil aeronautics and air commerce by (a) managing the use of the navigable airspace and regulating civil and military air operations; (b) installing and operating aids to air navigation and traffic control for civil and military aviation; (c) conducting research to develop facilities and techniques needed to meet future traffic control and navigation requirements; (d) licensing airmen and aircraft; (e) establishing standards and rules to promote safety; and by (f) administering a program of grants-in-aid for construction and improvement of civil airports.

A system of airways user charges will be proposed involving increased and new taxes on aviation fuel to recover a reasonable share of the costs of airways services from the groups which are directly benefited.

Current authorizations:

[EXPENSES] OPERATIONS

For necessary expenses of the 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; purchase of twenty passenger motor vehicles for replacement only; not to exceed **[\$5,000]** \$10,000 for representation allowances and for official entertainment; and purchase and repair of skis and snowshoes; **[\$373,064,000]** \$441,000,000: *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 maintenance and operation of air navigation facilities. (49 U.S.C. 1301 et seq.; 49 U.S.C. 1151-1160; 50 U.S.C. 1622, a-c; *Convention on International Civil Aviation, 61 Stat. 1180; Convention on International Recognition of Rights in Aircraft, 4 U.S.T. 1830, 1953; Independent Offices Appropriation Act, 1961.*)

Note.—Estimate for 1962 includes \$150 thousand for activities previously carried under "Research and development." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Traffic management.....	134,077	155,488	164,496
2. Facilities maintenance.....	135,124	174,750	205,710
3. Administration of flight standards program.....	32,738	44,317	52,757
4. Administration of medical standards.....	1,122	1,848	3,237
5. Research direction.....	6,527	8,573	9,344
6. Administration of airport program.....	4,529	5,339	5,456
Total obligations.....	314,117	390,315	441,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers from (—) other accounts.....	—2,061	—2,151	
Unobligated balance lapsing.....	6,644		
New obligational authority.....	318,700	388,164	441,000
New obligational authority:			
Appropriation.....	301,700	373,064	441,000
Transferred from "Facilities and equipment" (73 Stat. 724).....	17,000		
Appropriation (adjusted).....	318,700	373,064	441,000
Proposed supplemental due to pay increases.....		15,100	

1. *Traffic management.*—This activity covers the operation of the national system of air traffic management in the United States and its possessions. With the aid of radar, communications, and other facilities, traffic management personnel at 36 centers monitor and control en route flights of civil and military aircraft conducted under instrument conditions to assure safety and to expedite the flow of traffic. Control towers are operated at 237 major civil airports to guide traffic movements on and in the vicinity of the airports. Some 339 flight service stations transmit weather and other essential information to pilots, and relay traffic control data between ground controllers and pilots. Major increases in 1962 are for (a) operating newly commissioned traffic management facilities installed with funds appropriated under Facilities and equipment; (b) training of traffic management personnel; and (c) full-year cost of facilities and services operated on a part-year basis in 1961.

TRENDS IN VOLUME OF AIR TRAFFIC

	Aircraft operations at airports with FAA towers (in millions)	Instrument operations at airports with FAA traffic control service (in millions)	General aviation hours flown (in millions)	Revenue passenger miles (in billions)
1956.....	20.4	---	9.9	25.8
1957.....	23.7	4.6	10.6	29.3
1958.....	26.3	4.9	11.3	31.4
1959.....	26.8	6.0	12.0	33.2
1960.....	26.4	6.2	12.7	38.0
1961 estimated.....	26.4	6.5	13.4	41.5
1962 estimated.....	26.9	6.8	14.1	45.3

2. *Facilities maintenance.*—This covers maintenance of the national network of aids to air navigation and traffic control in the United States and its possessions. Major increases in 1962 are for (a) maintenance and operation of more aircraft used more intensively in checking the accuracy of airways facilities, particularly at higher altitudes, and maintenance of newly acquired training aircraft; (b) improvements in communications between and within traffic control installations; and (c) full-year costs of facilities and services operated for part of 1961.

3. *Administration of flight standards program.*—This activity covers the establishment and enforcement of the civil air regulations which are designed to assure high standards of safety in aviation. Inspections are made and certificates issued for aircraft, airmen, aircraft operators, and air agencies that meet safety or competency requirements. Certain facility flight inspection functions

are also included in this activity. Increases in 1962 are chiefly for (a) strengthening enforcement of air safety regulations; (b) providing basic flight training and proficiency flying for inspectors; (c) handling increasing workload incident to the growing volume of aviation activity and the new types of aircraft being placed in service.

4. *Administration of medical standards.*—This covers the development of regulations governing the mental and physical fitness of airmen and other persons whose health affects safety in flight; and administration of an aviation medical research program, the project costs of which are financed under Research and development. Increases in 1962 are for augmenting supervisory capability in line with increases being proposed for medical research projects and for more intensive supervision and training of designated medical examiners.

5. *Research direction.*—This covers (a) administration of the research and development program for improving air traffic control and navigation facilities, the direct project costs of which are financed by the appropriation, Research and development; and (b) support costs of the National Aviation Facilities Experimental Center at Atlantic City, N.J., which were formerly financed under Research and development. Increases in 1962 provide technical supervision to handle the expanded research and development program proposed for 1962.

6. *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.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	199,915	250,889	277,233
Positions other than permanent.....	1,045	1,184	1,291
Other personnel compensation.....	12,592	12,956	12,466
Total personnel compensation.....	213,552	265,029	290,990
12 Personnel benefits.....	16,416	22,524	24,736
21 Travel and transportation of persons.....	12,776	17,395	19,140
Payment to interagency motor pools.....	475	649	650
22 Transportation of things.....	3,291	5,167	5,070
23 Rent, communications, and utilities.....	30,862	39,252	46,406
24 Printing and reproduction.....	826	1,113	1,300
25 Other services.....	8,574	11,046	14,515
Services of other agencies.....	323	1,438	1,664
26 Supplies and materials.....	18,943	21,560	31,006
31 Equipment.....	8,330	5,599	6,006
32 Lands and structures.....	68		
41 Grants, subsidies, and contributions.....	108	81	79
42 Insurance claims and indemnities.....	5		
Subtotal.....	314,549	390,853	441,562
Deduct quarters and subsistence charges.....	432	538	562
Total obligations.....	314,117	390,315	441,000

Personnel Summary

Total number of permanent positions.....	34,603	39,000	41,048
Full-time equivalent of other positions.....	232	235	251
Average number of all employees:			
Civilian.....	31,322	36,063	39,091
Military.....	107	110	111
Number of employees at end of year:			
Civilian.....	34,500	38,512	40,786
Military.....	109	110	110
Average GS grade.....	8.8	9.0	9.2
Average GS salary.....	\$6,515	\$7,112	\$7,215
Average salary of ungraded positions.....	\$5,695	\$5,712	\$5,702

【ESTABLISHMENT OF AIR NAVIGATION】 FACILITIES AND EQUIPMENT

For an additional amount for the acquisition, establishment, and improvement by contract or purchase and hire of air navigation and experimental 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 Federal Aviation Agency stationed at remote localities where such accommodations are not available (at a total cost of construction of not to exceed **【\$50,000】** an average of **【\$55,000】** per housing unit in Alaska); and purchase of **【six】** nine 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; \$163,250,000】** **【\$126,000,000】**, 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. (49 U.S.C. 1301 et seq.; 49 U.S.C. 1507, 1156-1159; Independent Offices Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$6,900 thousand for activities previously carried under "Research and development." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Air traffic control centers:			
(a) Long range radar.....	30,504	39,986	24,300
(b) Other center facilities.....	20,250	26,822	22,600
2. Airport traffic control towers:			
(a) Terminal area radar.....	7,108	6,242	10,000
(b) Other tower facilities.....	3,958	4,184	6,500
3. Flight service stations:			
(a) Domestic.....	6,609	10,681	17,100
(b) International.....	3,099	5,755	3,700
4. Air navigation facilities:			
(a) VORTAC.....	12,180	7,565	18,500
(b) Low/medium frequency facilities.....	1,097	429	1,100
(c) Instrument landing systems.....	5,537	6,236	10,600
(d) Approach lighting systems.....	5,146	7,329	6,800
(e) Intermediate fields.....	1,066	1,683	400
5. Aircraft and related equipment:			
(a) Facility flight checking.....	6,282	8,150	1,100
(b) Training.....		12,460	7,500
(c) Research support.....			610
6. Research, test, and evaluation facilities:			
(a) Construction and improvements.....	1,606	4,363	5,053
(b) Equipment.....	3,415	2,667	1,137
7. Housing, utilities, and miscellaneous facilities.....	4,395	7,509	4,300
Total obligations.....	112,252	152,061	141,300
Financing:			
Comparative transfers from (—) other accounts.....	—5,021	—7,030	—
Unobligated balance brought forward.....	—76,735	—87,704	—107,273
Unobligated balance carried forward.....	87,704	107,273	91,973
New obligational authority.....	118,200	164,600	126,000
New obligational authority:			
Appropriation.....	135,200	163,250	126,000
Transferred to "Operations" (73 Stat. 724).....	—17,000		
Appropriation (adjusted).....	118,200	163,250	126,000
Proposed supplemental due to pay increases.....		1,350	

Under this appropriation, the Federal airways system is being improved by the installation of new equipment and the construction and modernization of facilities. In addition, the appropriation finances major capital items required by other agency programs such as aircraft for facility flight inspection and personnel training, and experimental facilities for the research and development program. The 1962 estimate will carry forward the program begun in 1957 to increase the capacity of the

FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

[ESTABLISHMENT OF AIR NAVIGATION] FACILITIES AND EQUIPMENT—Continued

airways system and to make its operations more efficient and safe. Operating costs of facilities procured under this appropriation are financed by the appropriation entitled Operations.

1. *Air traffic control centers.*—(a) *Long-range radar aids* en route air traffic control by displaying aircraft positions at distances up to 230 miles. (b) *Other center facilities* cover the establishment, improvement, and relocation of centers and associated traffic control aids.

2. *Airport traffic control towers.*—(a) *Terminal area radar aids* traffic control in the vicinity of airports by displaying aircraft positions at distances up to 70 miles. (b) *Other tower facilities* covers the establishment, improvement, and relocation of standard airport towers and associated equipments.

3. *Flight service stations.*—(a) *Domestic flight service stations* include the structures, communications, and other equipment used to relay traffic control information and to provide other flight assistance to pilots. (b) *International flight service stations* include structures and long-distance communications equipment for providing flight assistance and controlling traffic over transoceanic international routes.

4. *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 indicates to pilots of equipped aircraft their distance and direction from ground stations. (b) *Low/medium frequency facilities* include radio-beacons, ranges and associated equipment which provide pilots of equipped aircraft with direction information and define the location of certain airways. (c) *Instrument landing systems* cover the ground installations of this standard system which provides pilots with direction, distance, and glide slope information necessary for making approaches to runways when visibility is poor. (d) *Approach lighting systems* consist of a row of lights extending outward from runways to guide pilots during landings. (e) *Intermediate fields* are emergency landing areas provided on certain air routes in areas where public airports are not available.

5. *Aircraft and related equipment.*—(a) *Facility flight checking* covers aircraft and avionic equipment used to flight check accuracy and other characteristics of navigation and traffic control aids. (b) *Training* covers aircraft used to train and provide proficiency flying for safety inspectors. (c) *Research support* aircraft are used in development and testing of airways facilities.

6. *Research, test, and evaluation facilities.*—This activity covers construction and improvement of facilities and the procurement of equipment for general purpose use in the research and development program.

7. *Housing, utilities, and miscellaneous facilities.*—This includes supporting facilities and items not covered elsewhere.

The following table lists the major facilities already funded and those budgeted in 1962:

NUMBER OF FACILITIES

	<i>Authorized through 1961</i>	<i>Proposed in 1962</i>
1. Air traffic control centers:		
(a) Long range radars.....	82	2
(b) Other center facilities: Construct and equip transition terminal centers.....	24	1
2. Airport traffic control towers: Terminal radar ATC: Radar beacon systems.....	33	15
3. Flight service stations: International.....	12	1
4. Air navigation facilities:		
(a) VORTAC:		
Establish VORTAC.....	558	50
Establish VOR.....	231	21
(b) Instrument landing systems.....	249	16
(c) Approach lighting systems.....	174	36
5. Test and evaluation facilities: Subsonic fire test wind tunnel.....	---	1

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
FEDERAL AVIATION AGENCY			
11 Personnel compensation:			
Permanent positions.....	8,578	10,091	11,395
Positions other than permanent.....	342	348	395
Other personnel compensation.....	522	465	483
Total personnel compensation.....	9,442	10,904	12,273
12 Personnel benefits.....	766	1,049	1,167
21 Travel and transportation of persons.....	3,712	4,813	5,507
Payment to interagency motor pools.....	51	57	63
22 Transportation of things.....	1,468	1,923	2,194
23 Rent, communications, and utilities.....	412	564	658
24 Printing and reproduction.....	55	75	80
25 Other services.....	24,717	29,618	30,713
Services of other agencies.....	232	355	380
26 Supplies and materials.....	4,315	5,969	6,313
31 Equipment.....	54,216	74,394	59,202
32 Lands and structures.....	12,859	22,309	22,750
Subtotal.....	112,245	152,030	141,300
Deduct quarters and subsistence charges.....	3	---	---
Total, Federal Aviation Agency.....	112,242	152,030	141,300
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....	10	31	---
Total obligations.....	112,252	152,061	141,300

Personnel Summary

Total number of permanent positions.....	1,700	1,992	2,209
Full-time equivalent of other positions.....	60	61	70
Average number of all employees.....	1,526	1,619	1,791
Number of employees at end of year.....	1,632	2,072	2,265
Average GS grade.....	8.3	8.4	8.4
Average GS salary.....	\$6,056	\$6,555	\$6,700
Average salary of ungraded positions.....	\$5,667	\$5,721	\$5,793

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, [\$80,000,000] \$70,000,000, to remain available until expended. (49 U.S.C. 1101-1106, 1108-1119; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants for construction of airports (total obligations) (object class 41).....	82,203	70,000	15,000
Financing:			
Unobligated balance brought forward (contract authorization).....	-47,924	-28,721	-21,721
Unobligated balance carried forward (contract authorization).....	28,721	21,721	6,721
New obligational authority (contract authorization).....	63,000	63,000	
Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance brought forward.....	128,500	134,000	117,000
Contract authorization (new).....	63,000	63,000	
Unfunded balance carried forward.....	-134,000	-117,000	-47,000
Appropriation to liquidate contract authorization.....	57,500	80,000	70,000

Under the Federal Airport Act, as amended, grants are made to public agencies to aid the development and improvement of public airports. These grants generally cover 50% of project costs and are limited to facilities deemed essential for the safety, convenience, or comfort of the traveling public. Contract authorizations for this program are provided by existing legislation through 1961. The following tabulation summarizes the activity under this program:

	[Dollars in millions]		
	1947 through 1960 actual	1961 estimate	1962 estimate
Airports having projects in program.....	1,526	365	70
Projects physically completed.....	3,659	390	300
Grant funds.....	\$528.8	\$63.0	
Prior year balance available.....		\$28.7	\$21.7
Grant obligations.....	\$499.3	\$70.0	\$15.0
Federal expenditures.....	\$378.4	\$81.2	\$80.0

It is estimated that an appropriation of \$70 million will be required for 1962 to pay obligations incurred under available contract authorization.

Legislation authorizing appropriations for the program at a reduced level in 1962 and 1963 will be proposed. For this purpose the budget includes \$40 million under Proposed for later transmission.

RESEARCH AND DEVELOPMENT

For expenses, not otherwise provided for, necessary for research, development, and service testing in accordance with the provisions of the Federal Aviation Act (49 U.S.C. 1301-1542), including construction of experimental facilities and acquisition of necessary sites by lease or grant, [\$64,000,000] \$85,000,000, to remain available until expended. (49 U.S.C. 1301 et seq.; Independent Offices Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$6,900 thousand for activities transferred in the estimates to "Facilities and equipment," and \$150 thousand for activities transferred to "Operations." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
I. Air traffic control and navigation.....	32,582	44,587	48,991

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Aviation weather.....	5,554	6,426	4,129
3. Aircraft safety.....	1,047	2,179	5,891
4. Airports.....	1,313	3,607	3,139
5. Aviation medicine.....	704	981	2,850
Total obligations.....	41,200	57,780	65,000
Financing:			
Comparative transfers to other accounts.....	7,082	9,181	
Unobligated balance brought forward.....	-2,038	-2,481	
Unobligated balance carried forward.....	2,481		
New obligational authority.....	48,725	64,480	65,000
New obligational authority:			
Appropriation.....	48,725	64,000	65,000
Proposed supplemental due to pay increases.....		480	

The Federal Aviation Agency carries out a program to improve and modernize the national system of aviation facilities through the development of new systems, procedures, and devices. The Agency also conducts a program of medical research to provide basic data needed in the development of rules and regulations governing the certification of airmen and to assure aviation safety.

Research is conducted through contracts with qualified firms, universities, and individuals, or by Agency staff or other governmental agencies. The data, procedures, or equipments resulting from this research are evaluated and tested to determine their potential value in meeting future air traffic control and navigation needs.

Supervision and administrative support costs for research projects financed by this appropriation are covered by the Operations appropriation. Costs of acquiring experimental facilities and major equipment for the research program are included in the Facilities and equipment appropriation.

1. *Air traffic control and navigation.*—This provides for improving the airways system by adapting existing technology to air traffic control and navigation problems and by long-range research and development to meet future needs. The 1961 and 1962 program provides for increased emphasis on development and testing of an automatic data processing and display system for traffic control, as well as for continuing studies of present airways system operations and future requirements, theoretical analyses of proposed facilities, and work in data acquisition, communications, navigation, and landing systems.

2. *Aviation weather.*—This provides for continuing a program, coordinated with the Departments of Defense and Commerce, to develop a national aviation weather system. The 1962 estimate provides for studies and equipment development on weather data acquisition, use in forecasting, and presentation.

3. *Aircraft safety.*—This provides for research, testing, and experimentation on aircraft structures and systems in order to provide a sound basis for airworthiness standards and safety regulations. Work is also being done on techniques and devices for airborne collision avoidance. The 1962 estimate provides for an expanded effort on fire protection, structural soundness, collision avoidance, as well as other aircraft systems and equipment that affect safety.

FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

RESEARCH AND DEVELOPMENT—Continued

4. *Airports.*—This provides for research and experimentation to establish criteria for designing and equipping airports.

5. *Aviation medicine.*—This covers the conduct of an aeromedical research effort on those physical and psychological conditions which affect safety in flight, and standards for the medical certification of airmen. The 1962 estimate provides for expanding programs at the Civil Aeromedical Research Institute recently established at Oklahoma City, Okla.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
FEDERAL AVIATION AGENCY			
11 Personnel compensation:			
Permanent positions.....	3,188	6,443	8,426
Positions other than permanent.....	240	514	647
Other personnel compensation.....	134	142	150
Total personnel compensation.....	3,562	7,099	9,223
12 Personnel benefits.....	199	477	621
21 Travel and transportation of persons.....	167	374	553
22 Transportation of things.....		23	16
23 Rent, communications, and utilities.....	863	1,119	2,733
24 Printing and reproduction.....		7	8
25 Other services.....	34,667	46,355	49,519
26 Supplies and materials.....	378	1,161	1,442
31 Equipment.....	1,281	1,123	885
32 Lands and structures.....	28		
Total, Federal Aviation Agency.....	41,145	57,738	65,000
ALLOCATION TO ARMY			
11 Personnel compensation: Permanent positions.....	38	27	
12 Personnel benefits.....	3	2	
25 Other services.....	2	2	
32 Lands and structures.....	12	11	
Total, Army.....	55	42	
Total obligations.....	41,200	57,780	65,000

Personnel Summary

FEDERAL AVIATION AGENCY			
Total number of permanent positions.....	609	930	1,075
Full-time equivalent of other positions.....	63	137	150
Average number of all employees:			
Civilian.....	431	863	1,106
Military.....	21	21	21
Number of employees at end of year:			
Civilian.....	627	967	1,145
Military.....	20	21	21
Average GS grade.....	10.6	10.6	10.5
Average GS salary.....	\$7,976	\$8,533	\$8,473
Average salary of ungraded positions.....	\$5,404	\$5,303	\$5,303
ALLOCATION TO ARMY			
Total number of permanent positions.....	6	4	
Average number of all employees.....	5	4	
Number of employees at end of year.....	5	0	
Average GS grade.....	9.2	9.5	
Average GS salary.....	\$6,792	\$7,249	

OPERATION AND MAINTENANCE, [WASHINGTON NATIONAL AIRPORT] NATIONAL CAPITAL AIRPORTS

For expenses incident to the care, operation, maintenance, improvement and protection of the [Washington National Airport] federally owned civil airports in the vicinity of the District of Columbia, including purchase of [one] five passenger motor [vehicle, for replacement only,] vehicles, including two for police-type use which may exceed by \$300 the general purchase price limitation for the current fiscal year; purchase, cleaning, and repair of uniforms; and arms and ammunition; [\$3,230,000] \$6,000,000. (49 U.S.C. 1348 (b); 54 Stat. 636; 61 Stat. 94; Independent Offices Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$2,576 thousand for activities previously carried under the appropriation "Operation and maintenance, Dulles International Airport." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Washington National Airport:			
Terminal area.....	869	986	1,094
Hangar area.....	427	537	582
Landing area.....	641	724	887
Other areas.....	217	386	425
Total, Washington National Airport.....	2,154	2,633	2,988
2. Dulles International Airport.....			
Total operating costs.....	2,154	3,244	5,339
Capital outlay:			
1. Washington National Airport.....			
Total capital outlay.....	378	688	627
2. Dulles International Airport.....			
Total capital outlay.....	378	2,137	1,087
Total program costs.....	2,532	5,381	6,426
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....			—426
Obligations incurred for costs of other years, net.....		299	
Total obligations.....	2,397	5,680	6,000
Financing:			
Comparative transfers from (—) other accounts.....		—2,450	
Unobligated balance lapsing.....	3		
New obligational authority (appropriation).....	2,400	3,230	6,000

This appropriation finances management, operation and protection activities as well as capital costs for equipment and maintenance projects at the federally owned Washington National and Dulles International Airports which serve the National Capital area. Major construction at the airports is financed under the appropriation Construction, National Capital airports. The 1962 request provides for increased traffic at Washington National Airport, and commencement of operations at the new Dulles International Airport.

Direct operating costs and capital outlays of the airports are currently financed by direct appropriations while revenue received for services to tenants and other users are deposited in the Treasury. Legislation is being proposed to establish a National Capital Airports Corporation to operate these airports.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	92	115	145	176
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	464	282	551	94
Total selected resources at end of year.....	556	397	696	270
Selected resources at start of year (-).....		-556	-397	-696
Adjustment of selected resources reported at start of year.....		24		
Costs financed from obligations of other years, net (-).....		-135		-426
Obligations incurred for costs of other years, net.....			299	

The following statements reflect financial results of the total operations including unfunded depreciation on all depreciable assets, interest on the Government's investment on a basis comparable to that of other major commercial airports, and total actual revenue together with amounts representing the value of services furnished other Government agencies for which no collections are made. Unrealized revenue includes landing fees for Government aircraft and rent for office and hangar space used by Government agencies.

At Washington National Airport operations will continue to reflect a sound profit position. Increased costs resulting from the expansion and modernization program initiated in 1961 will be offset by the application of more realistic charges in the landing area as expiring long-term airline use agreements are renegotiated during the current fiscal year. Operations at the new Dulles International Airport will result in substantial deficits during the early years of operations when traffic volume will be relatively low. The anticipated rate structure at the new airport is being developed on a basis to assure the recovery of operating costs including interest and depreciation charges and an appropriate return on the Government's investment during the useful life of the facility. The following table shows the revenue and expenses of the airports (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
1960:				
Washington National Airport:				
Terminal area.....	869	1,064	1,517	453
Hangar area.....	427	790	996	206
Landing area.....	641	1,252	885	-367
Other areas.....	217	369	723	354
Total, Washington National Airport.....	2,154	3,475	4,121	646
Unrealized revenue included above.....			-94	-94
Total, exclusive of unrealized revenue... ..	2,154	3,475	4,027	552
1961:				
Washington National Airport:				
Terminal area.....	986	1,178	1,494	316
Hangar area.....	537	889	987	98
Landing area.....	724	1,330	1,039	-291
Other areas.....	386	528	780	252
Total, Washington National Airport.....	2,633	3,925	4,300	375
Dulles International Airport.....	611	611		-611
Total both airports.....	3,244	4,536	4,300	-236
Unrealized revenue included above.....			-75	-75
Total, exclusive of unrealized revenue... ..	3,244	4,536	4,225	-311

	Direct operating costs	Total costs (including interest and depreciation)	Total revenue	Income or loss (-), net
1962:				
Washington National Airport:				
Terminal area.....	1,094	1,310	1,748	438
Hangar area.....	582	1,002	1,027	25
Landing area.....	887	1,468	1,496	28
Other areas.....	425	600	804	204
Total, Washington National Airport.....	2,988	4,380	5,075	695
Dulles International Airport.....	2,351	3,778	450	-3,328
Total both airports.....	5,339	8,158	5,525	-2,633
Unrealized revenue included above.....			-75	-75
Total, exclusive of unrealized revenue... ..	5,339	8,158	5,450	-2,708

FINANCIAL CONDITION

[In thousands of dollars]

Assets:	1960 actual	1961 estimate	1962 estimate
Cash:			
Unexpended appropriations.....	617	2,065	6,117
Deposit funds.....	60	66	95
Accounts receivable, net.....	112	92	143
Supplies and materials.....	114	144	175
Land, structures, and equipment, net:			
Completed work.....	18,558	22,330	105,193
Work in progress.....	237	904	3,607
Total assets.....	19,698	25,601	115,330
Liabilities: Current.....	203	247	344
Total Government investment... ..	19,495	25,354	114,986

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,340	2,084	3,277
Positions other than permanent.....	2	8	
Other personnel compensation.....	104	99	157
Total personnel compensation.....	1,446	2,191	3,434
12 Personnel benefits.....	93	164	259
21 Travel and transportation of persons.....	1	20	17
22 Transportation of things.....	1	5	6
23 Rent, communications, and utilities.....	244	323	623
24 Printing and reproduction.....	3	6	6
25 Other services.....	112	258	601
26 Supplies and materials.....	208	298	364
31 Equipment.....	110	2,093	375
32 Lands and structures.....	178	322	315
42 Insurance claims and indemnities.....	1		
Total obligations.....	2,397	5,680	6,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	273	473	690
Full-time equivalent of other positions.....	1	1	
Average number of all employees.....	262	357	587
Number of employees at end of year.....	254	465	678
Average GS grade.....	5.2	6.3	6.0
Average GS salary.....	\$4,880	\$5,711	\$5,485
Average salary of ungraded positions.....	\$5,313	\$5,398	\$5,228

CONSTRUCTION, [WASHINGTON NATIONAL AIRPORT] NATIONAL CAPITAL AIRPORTS

For necessary expenses for construction at [Washington National Airport] the federally owned civil airports in the vicinity of the District of Columbia, including acquisition of land, [\$4,500,000] \$8,000,000, to remain available until expended. (54 Stat. 686; 61 Stat. 94; 64 Stat. 770; 72 Stat. 354; 72 Stat. 731; Independent Offices Appropriation Act, 1961.)

FEDERAL AVIATION AGENCY—Continued

Current authorizations—Continued

CONSTRUCTION, [WASHINGTON NATIONAL AIRPORT] NATIONAL CAPITAL AIRPORTS—Continued

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Washington National Airport:									
Terminal area projects.....	1,035	57	6	807	165	165			
Hangar area projects.....	35			35					
Landing area projects.....	3,796	85	168	1,825	1,118	468	600	1,250	
Other area projects.....	4,492	109	11	897	1,425	525	2,050	2,950	
Subtotal.....	9,358	251	185	3,564	2,708	1,158	2,650	4,200	
2. Dulles International Airport.....	3,800				2,750		1,050	3,800	
Total program costs.....	13,158	251	185	3,564	5,458	1,158	3,700	8,000	
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....			—36	—134					
Obligations incurred for costs of other years, net.....					3,363				
Total obligations.....			149	3,430	8,821				
Financing:									
Unobligated balance brought forward.....			—170	—21	—1,091				
Unobligated balance carried forward.....			21	1,091	270				
New obligational authority (appropriation).....				4,500	8,000				

This appropriation finances modernization and expansion programs at Washington National Airport and Dulles International Airport. These programs are designed to insure the convenience and safety of airport users. The amounts for 1962 will finance the second phase of a modernization and rehabilitation program at Washington National Airport. Projects include construction of a new cargo building, runway and taxiway improvements, and construction of an access road. Projects proposed at Dulles International Airport include the extension of utilities, roadways and taxiways to serve proposed hangar and industrial areas, provision of aircraft servicing and storage aprons, permanent airfield maintenance facilities, and enclosed walkways for feeder-line passengers. All outlays for physical improvements are added to the respective airport's capital investment and will be subsequently recovered through fees and charges paid by airport tenants and users.

3. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$238 thousand; 1960, \$202 thousand; 1961, \$68 thousand; 1962, \$3,431 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	11	36	237
Other personnel compensation.....	2	2	5
Total personnel compensation.....	13	38	242
12 Personnel benefits.....	1	3	18
21 Travel and transportation of persons.....		1	2

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....		3	4
25 Other services.....		433	536
26 Supplies and materials.....		2	4
32 Lands and structures.....	135	2,950	8,015
Total obligations.....	149	3,430	8,821

Personnel Summary

Total number of permanent positions.....	3	6	28
Average number of all employees.....	2	5	28
Number of employees at end of year.....	2	6	28
Average GS grade.....	10.5	9.0	10.0
Average GS salary.....	\$7,634	\$6,801	\$8,693
Average salary of ungraded positions.....	\$5,949	\$6,115	\$6,115

[OPERATION AND MAINTENANCE, DULLES INTERNATIONAL AIRPORT]

[For expenses incident to the care, operation, maintenance, improvement and protection of the Dulles International Airport, including purchase of four passenger motor vehicles, of which three for police-type use may exceed by \$300 each the general purchase price limitation for the current fiscal year; purchase, cleaning, and repair of uniforms; and arms and ammunition; \$2,450,000.] (49 U.S.C. 1348(b); 64 Stat. 770; 72 Stat. 354; 72 Stat. 731; Independent Offices Appropriation Act, 1961.)

Note.—Estimate of \$2,576 thousand for activities previously carried under this title has been transferred in the estimates to "Operation and maintenance, National Capital airports." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		2,450	
New obligational authority (appropriation)		2,450	

CONSTRUCTION AND DEVELOPMENT, ADDITIONAL WASHINGTON AIRPORT

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Engineering and supervision.....	487	504	100
2. Construction.....	23,953	26,846	2,000
Total obligations	24,440	27,350	2,100
Financing:			
Unobligated balance brought forward.....	-31,420	-29,450	-2,100
Unobligated balance carried forward.....	29,450	2,100	
New obligational authority (appropriation)	22,470		

The Dulles International Airport is under construction near Chantilly, Va., to serve the National Capital area. Appropriations totaling \$84,970 thousand have been made available for the project, including construction of an access highway. The airport is expected to be opened for public use during 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
FEDERAL AVIATION AGENCY			
11 Personnel compensation:			
Permanent positions.....	305	367	89
Other personnel compensation.....	2	2	
Total personnel compensation	307	369	89
12 Personnel benefits.....	14	20	6
21 Travel and transportation of persons.....	11	9	2
22 Transportation of things.....	1	2	
23 Rent, communications, and utilities.....	2	3	2
24 Printing and reproduction.....	3	2	1
25 Other services.....	22,629	23,624	2,000
26 Supplies and materials.....		1	
31 Equipment.....	753	2,122	
Total, Federal Aviation Agency	23,720	26,152	2,100
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	14	11	
Positions other than permanent.....	41	28	
Total personnel compensation	55	39	
12 Personnel benefits.....	1	1	
23 Rent, communications, and utilities.....	17	12	
25 Other services.....	76	46	
32 Lands and structures.....	571	1,100	
Total, General Services Administration	720	1,198	
Total obligations	24,440	27,350	2,100

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
FEDERAL AVIATION AGENCY			
Total number of permanent positions.....	30	30	10
Average number of all employees.....	25	29	9
Number of employees at end of year.....	26	30	0
Average GS grade.....	10.0	10.1	10.3
Average GS salary.....	\$8,397	\$9,167	\$8,724
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
Total number of permanent positions.....	2	2	
Full-time equivalent of other positions.....	5	4	
Average number of all employees.....	7	5	
Number of employees at end of year.....	7	0	
Average GS grade.....	8.5	8.5	
Average GS salary.....	\$6,860	\$7,477	

MISCELLANEOUS FEDERAL AVIATION AGENCY ACCOUNTS

Program and Financing (in thousands of dollars)

Note.—The following schedule includes unobligated balances for "Claims, Federal Airport Act," and "Construction of public airports, State of Alaska."

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-4	-4	
Recovery of prior year obligations.....	-14		
Unobligated balance carried forward.....	4		
Unobligated balance lapsing.....	14	4	
New obligational authority (appropriation)			

GENERAL PROVISION

During the current fiscal year applicable appropriations to the Federal Aviation Agency shall be available for the Federal Aviation Agency to conduct the activities specified in the Act of October 26, 1949, as amended (5 U.S.C. 596a), under determinations and regulations by the Administrator of the Federal Aviation Agency; 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). (5 U.S.C. 596a; 5 U.S.C. 2131; Independent Offices Appropriation Act, 1961.)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Mutual security—economic," funds appropriated to the President.
 "Payments to school districts," Office of Education.
 "Procurement other than aircraft and missiles," Air Force.
 "Transitional grants to Alaska," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operation and construction of air navigation and related facilities:			
Air Force.....	6,958	9,603	6,590
Navy.....	2,105	1,870	1,848
Army.....	113	267	300
2. Miscellaneous services to other accounts.....	13,425	15,440	15,888
Total obligations	22,601	27,180	24,626

FEDERAL AVIATION AGENCY—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	20,510	25,608	23,115
Non-Federal sources.....	2,091	1,572	1,511
Total financing.....	22,601	27,180	24,626

Note.—Reimbursements from non-Federal sources are derived from the sale of personal property (40 U.S.C. 481(c)); servicing of aircraft for foreign governments (49 U.S.C. 1154); and Public Law 80-647 activities (49 U.S.C. 1151).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7,236	9,200	9,222
Positions other than permanent.....	147	70	59
Other personnel compensation.....	550	562	530
Total personnel compensation.....	7,933	9,832	9,811
12 Personnel benefits.....	580	906	919
21 Travel and transportation of persons.....	406	749	756
22 Transportation of things.....	403	583	626
23 Rent, communications, and utilities.....	469	509	508
24 Printing and reproduction.....	8	5	5
25 Other services.....	2,595	4,817	2,850
26 Supplies and materials.....	3,294	3,053	2,974
31 Equipment.....	6,295	5,220	4,718
32 Lands and structures.....	125	655	609
41 Grants, subsidies, and contributions.....	509	860	860
Subtotal.....	22,617	27,189	24,636
Deduct quarters and subsistence charges.....	16	9	10
Total obligations.....	22,601	27,180	24,626

Personnel Summary

Total number of permanent positions.....	984	1,144	1,145
Full-time equivalent of other positions.....	28	10	8
Average number of all employees.....	1,177	1,271	1,258
Number of employees at end of year.....	902	1,099	1,126
Average GS grade.....	9.2	10.0	10.1
Average GS salary.....	\$6,445	\$7,799	\$7,927
Average salary of ungraded positions.....	\$6,190	\$5,718	\$5,736

Proposed for later transmission:

GRANTS-IN-AID FOR AIRPORTS

Program and financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants for construction of airports (total obligation).....			35,000
Financing:			
Unobligated balance carried forward.....			5,000
New obligational authority (proposed supplemental appropriation).....			40,000

Under proposed legislation, 1962.—Existing legislation provides no new obligational authority beyond 1961 for the program of grants for public airport construction. Legislation will be proposed to authorize appropriations for grants in 1962 and 1963. A supplemental appropriation of \$40 million is anticipated for 1962.

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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Hearing appeals (total costs—obligations)....	54	70	70
Financing:			
Unobligated balance lapsing.....	16		
New obligational authority (appropriation).....	70	70	70

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 1960, a total of 115 orders were issued. When operators appeal, hearings are held, and the Board rules upon the application. It is estimated that there will be 100 to 125 orders subject to appeal to the Board in 1961 and 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	40	47	48
Positions other than permanent.....	6	12	11
Other personnel compensation.....	1		
Total personnel compensation.....	47	59	59
12 Personnel benefits.....	3	4	4
21 Travel and transportation of persons.....	3	4	4
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....		1	1
26 Supplies and materials.....		1	1
Total obligations.....	54	70	70

Personnel Summary

Total number of permanent positions.....	5	5	5
Full-time equivalent of 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.....	10.2	10.2	10.2
Average GS salary.....	\$8,902	\$9,576	\$9,676

FEDERAL COMMUNICATIONS COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses in performing the duties of the Commission as authorized by law, including land and structures (not to exceed \$23,000 \$48,000), special counsel fees, improvement and care of grounds and repairs to buildings (not to exceed \$14,600 \$15,600), services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), [not to exceed \$165,000 for expenses of travel,] and purchase of not to exceed [three] two passenger motor vehicles for replacement only, [\$13,085,000: Provided, That not to exceed \$2,000,000 of this appropriation shall be available for a special ultra-high frequency television study and shall remain available until June 30, 1962] \$12,525,000. (Communications Act of 1934, as amended; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Applied technical research and frequency allocation.....	742	819	860
2. Broadcast.....	2,208	2,616	2,935
3. Safety and special radio services.....	1,206	1,347	1,504
4. Field engineering and monitoring.....	3,177	3,409	3,604
5. Common carrier.....	1,207	1,322	1,370
6. Executive, staff, and service.....	2,048	2,168	2,252
7. Ultra-high frequency television.....		1,000	1,000
Total program costs ¹	10,588	12,681	13,525
8. Unfunded adjustment to total program costs: Property transferred in (-) without charge, net.....	-5		
Total program costs, funded.....	10,583	12,681	13,525
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-33		
Obligations incurred for costs of other years, net.....		108	
Total obligations.....	10,550	12,789	13,525
Financing:			
Unobligated balance brought forward.....			-1,000
Unobligated balance carried forward.....		1,000	
New obligational authority.....	10,550	13,789	12,525
New obligational authority:			
Appropriation.....	10,550	13,085	12,525
Proposed supplemental due to pay increases.....		704	

¹ Includes capital outlay as follows: 1960, \$279 thousand; 1961, \$242 thousand; 1962, \$416 thousand.

The Federal Communications Commission regulates interstate and foreign commerce in communications by wire and radio. The Communications Act requires the Commission to (1) attain and maintain maximum benefits for the people of the United States in the use of the radio spectrum and (2) regulate the rates and services of communications common carriers.

1. *Applied technical research and frequency allocation.*—The Commission undertakes broad research designed to improve the utilization of the radio spectrum, approves certain equipment for public use, and licenses experimental radio stations.

2. *Broadcast.*—Standard broadcast (AM), frequency modulation (FM), television (TV), and other related services are licensed and regulated by the Commission. Pertinent data are shown in the following table:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Stations regulated ¹	5,160	5,391	5,794	6,272
Applications received for new stations or major change of facilities:				
AM.....	1,077	800	848	850
FM.....	1,325	1,794	2,050	2,300
TV.....	183	160	180	200

¹ As of June 30 of each year.

3. *Safety and special radio services.*—Aviation, police, marine, amateur, and other nonbroadcast uses of radio are licensed and regulated. Pertinent data follow (in thousands):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Stations regulated ¹ (excluding amateur).....	302	435	565	729
License applications received.....	250	350	390	453

¹ As of June 30 of each year.

4. *Field engineering and monitoring.*—Field employees inspect radio stations; administer operator examinations; collect engineering data; monitor the spectrum; and determine the location of lost ships, lost aircraft, and illegal sources of radio emission.

5. *Common carrier.*—The Commission regulates the rates and practices of telephone, telegraph, and cable companies and considers proposed mergers and acquisitions of properties, extensions and reductions in service, construction of facilities, and applications to use radio in communication services.

7. *Ultra-high frequency television.*—A comprehensive study of ultra-high frequency television transmission and reception is being undertaken. The study will provide technical information essential to the resolution of television channel allocation problems.

9. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	278	511	622	622
Advances (payments for goods and services on order not yet received).....	2	8	5	5
Total selected resources at end of year.....	280	519	627	627
Selected resources at start of year (-).....		-280	-519	-627
Adjustment of selected resources reported at start of year.....		-272		
Costs financed from obligations of other years, net (-).....		-33		
Obligations incurred for costs of other years, net.....			108	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	8,456	9,857	10,400
Other personnel compensation.....	221	79	39
Total personnel compensation.....	8,677	9,936	10,439
12 Personnel benefits.....			
607	759	809	
21 Travel and transportation of persons:			
Transportation and per diem.....	116	160	216
Payment to interagency motor pools.....	36	36	37
22 Transportation of things.....	37	39	44
23 Rent, communications, and utilities.....	314	328	361
24 Printing and reproduction.....	88	88	90
25 Other services.....	82	978	999
Services of other agencies.....	106	80	69

FEDERAL COMMUNICATIONS COMMISSION— Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	171	143	163
31 Equipment.....	250	219	250
32 Lands and structures.....	66	23	48
Total obligations.....	10,550	12,789	13,525

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,441	1,483	1,563
Average number of all employees.....	1,224	1,297	1,366
Number of employees at end of year.....	1,324	1,315	1,385
Average GS grade.....	8.0	8.2	8.2
Average GS salary.....	\$6,904	\$7,516	\$7,498

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Control of electronic radiation: Department of Defense.....	420	425	435
2. Operational research: Department of Defense.....	188	140	-----
3. Radio Technical Commission for Maritime Services:			
Navy.....	4	5	5
Army.....	3	4	4
Department of State.....	4	5	5
Treasury Department (Coast Guard).....	4	5	5
Department of Commerce.....	3	5	5
4. Technical assistance: International Cooperation Administration.....	63	71	68
Total obligations.....	689	660	527
Financing:			
Advances and reimbursements from other accounts.....	689	660	527

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	550	536	420
12 Personnel benefits.....	35	40	32
21 Travel and transportation of persons.....	45	42	39
22 Transportation of things.....	3	3	1
23 Rent, communications, and utilities.....	20	21	17
25 Other services.....	18	3	3
26 Supplies and materials.....	8	7	6

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
31 Equipment.....	10	8	9
Total obligations.....	689	660	527

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	83	73	47
Average number of all employees.....	78	72	47
Number of employees at end of year.....	78	73	47
Average GS grade.....	7.7	8.0	9.3
Average GS salary.....	\$6,428	\$7,281	\$8,617

FEDERAL DEPOSIT INSURANCE CORPORATION

Current authorizations:

INVESTMENT IN FEDERAL DEPOSIT INSURANCE CORPORATION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	—3,000,000	—3,000,000	—3,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts).....	3,000,000	3,000,000	3,000,000
New obligational authority (appropriation).....			

The Corporation insures accounts of depositors in insured banks up to \$10 thousand for each depositor. As of June 30, 1960, the deposit insurance fund for the protection of depositors amounted to \$2.16 billion or approximately 1.54% of all insured deposits on that date. Total insured deposits at the end of 1959 and 1960, estimated on the basis of information furnished as of June 10, 1959, and June 15, 1960, amounted to \$137 billion and \$140 billion, respectively. It is estimated that total insured deposits as of June 30, 1961 and 1962 will amount to \$145.6 billion and \$152.3 billion, respectively. 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 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 1961 or 1962.

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 [1961] 1962 for each such corporation or agency, except as hereinafter provided: (*Independent Offices Appropriation Act, 1961.*)

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 non-administrative. 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.

Public enterprise funds:

FEDERAL HOME LOAN BANK BOARD REVOLVING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative expense subject to limitation.....	1,739	2,071	1,725
Nonadministrative expense subject to limitation.....	6,777	8,819	10,366
Other expense.....	390	415	220
Prior years expense for employees' accrued annual leave.....	54	-----	-----
Credit allowed on prior year assessments.....	-----	199	-----
Total program costs.....	8,960	11,504	12,311
Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-6	-----	-----
Obligations incurred for costs of other years, net.....	-----	3	-----
Total obligations.....	8,954	11,507	12,311
Financing:			
Amounts becoming available: Revenue and receipts:			
Examining fees and charges.....	6,729	8,977	9,980
Assessments for services and facilities:			
Federal Savings and Loan Insurance Corporation.....	713	870	974
Federal home loan banks.....	882	994	1,112
Division of examinations.....	174	207	173
Reimbursements from other accounts.....	82	65	70
Conservatorship and/or supervisory representative in charge and other income.....	315	350	150
Miscellaneous revenue.....	7	-----	-----
Total amounts becoming available.....	8,902	11,463	12,459
Unobligated balance brought forward.....	-56	-108	-152
Total amounts available.....	8,846	11,355	12,307
Unobligated balance carried forward.....	108	152	4
Financing applied to program.....	8,954	11,507	12,311

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 millions]

	1960 actual	1961 estimate	1962 estimate
Number of members.....	4,674	4,760	4,840
Total assets of members.....	\$65,822	\$74,790	\$84,880
Savings invested in members.....	\$57,084	\$64,760	\$73,530
Mortgage loans of members.....	\$55,182	\$63,115	\$72,275
Insured institutions examined and supervised.....	4,044	4,155	4,265
Federal home loan bank advances outstanding.....	\$1,769	\$1,538	\$1,925

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 68% 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 decrease from \$2,071 thousand to \$1,725 thousand mainly as a result of reclassifying the expenses of the No. 2 activity (supervision of Federal- and State-chartered institutions from administrative to nonadministrative). Non-administrative expenses covering the expenses of examining savings and loan associations are discussed separately below.

FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

FEDERAL HOME LOAN BANK BOARD 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories:				
Supplies.....	15	13	13	13
Postage.....	6	1	4	4
Unpaid undelivered orders.....	4	5	5	5
Total selected resources at end of year.....	25	19	22	22
Selected resources at start of year (—).....		—25	—19	—22
Costs financed from obligations of other years, net (—).....		—6	---	---
Obligations incurred for costs of other years, net.....		---	3	---

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of equipment (fully depreciated).....	39	27	40
Expense.....	8,867	11,278	12,271
Prior year expense for employees' accrued annual leave.....	54	---	---
Credit allowed on prior year assessments.....	---	199	---
Increase in selected working capital.....	197	---	---
Total gross expenditures.....	9,157	11,504	12,311
Receipts from operations (funds provided):			
Revenue.....	8,902	11,463	12,459
Decrease in selected working capital.....	---	480	84
Total receipts from operations.....	8,902	11,943	12,543
Budget expenditures.....	255	—439	—232

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	8,902	11,463	12,459
Expense.....	8,906	11,305	12,311
Assessments and fees in excess of or below (—) expense.....	—4	158	148
Analysis of deferred and undistributed credits:			
Deferred and undistributed credits, net, beginning of year.....	—31	—89	—130
Credit allowed on prior year assessments (—).....	---	—199	---
Prior year expense for employees' accrued annual leave (—).....	—54	---	---
Deferred and undistributed credits, net, end of year.....	—89	—130	18

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	225	664	896
Accounts receivable, net.....	1,759	1,283	1,419
Inventory:			
Supplies.....	13	13	13
Postage meter.....	1	4	4
Furniture, fixtures, and equipment.....	373	400	440
Less portion charged off as depreciation.....	373	400	440
Furniture, fixtures, and equipment, net.....	---	---	---
Total assets.....	1,998	1,964	2,332

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current.....	2,087	2,094	2,314
Deferred and undistributed credits, net.....	—89	—130	18
Total liabilities.....	1,998	1,964	2,332

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash.....	481	225	664	896
Obligated balance, net:				
Current liabilities.....	1,918	2,087	2,094	2,314
Unpaid undelivered orders.....	4	5	5	5
Accounts receivable, net (—).....	—1,385	—1,759	—1,283	—1,419
Total obligated balance.....	537	333	816	900
Unobligated balance.....	—56	—108	—152	—4

LIMITATION ON ADMINISTRATIVE AND [EXAMINATION] NONADMINISTRATIVE EXPENSES, FEDERAL HOME LOAN BANK BOARD

Not to exceed a total of [\$1,943,000] \$1,725,000 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 non-administrative expenses for the purposes hereof: [*Provided further*, That hereafter expenses of the Board in making studies or investigations specifically directed by law, or requested by the Congress or either House thereof or by a committee of either House, including services authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), shall be considered as nonadministrative expenses:] *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 expenses of any functions of supervision (except of Federal home-loan banks) vested in or exercisable by the Board shall be considered as nonadministrative expenses: *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 non-administrative expenses [for the] (except those included in the first proviso hereof) for the supervision and examination of Federal and State chartered institutions (other than special examinations determined by the Board to be necessary) shall not exceed [\$8,341,000] \$10,866,000. (*Independent Offices Appropriation Act, 1961*.)

Program and Financing—Administrative Expenses (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Examination and supervision of Federal home loan banks.....	218	244	249
2. Supervision of Federal and State-chartered institutions.....	380	461	-----
3. Chartering savings and loan associations.....	115	137	164
5. Executive direction and staff services.....	642	785	835
6. Administrative services.....	384	444	477
Total accrued expenses—costs.....	1,739	2,071	1,725
Financing:			
Unobligated balance lapsing.....	61	-----	-----
Limitation.....	1,800	1,943	1,725
Proposed increase in limitation due to pay increases.....	-----	128	-----

Object Classification—Administrative Expenses (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	1,394	1,619	1,330
Other personnel compensation.....	21	6	-----
Add excess of annual leave earned over leave taken.....	-----	33	19
Total personnel compensation.....	1,415	1,658	1,349
Deduct portion not chargeable to limitation.....	26	-----	-----
Net personnel compensation.....	1,389	1,658	1,349
12 Personnel benefits.....	94	124	102
21 Travel and transportation of persons.....	45	58	55
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	154	165	149
24 Printing and reproduction.....	4	6	6
25 Other services.....	5	5	5
Services of other agencies.....	8	11	11
26 Supplies and materials.....	28	36	34
31 Equipment.....	11	7	13
Total accrued expenses—costs.....	1,739	2,071	1,725

Personnel Summary—Administrative Expenses

Total number of permanent positions.....	193	198	171
Average number of all employees.....	182	193	165
Number of employees at end of year.....	189	194	171
Average GS grade.....	8.6	8.8	8.1
Average GS salary.....	\$7,168	\$7,917	\$7,412

Program and Financing—Certain Nonadministrative Expenses (in thousands of dollars)

Program by activities:			
2. Supervision of Federal and State-chartered institutions.....	-----	-----	594
4. Examining savings and loan associations.....	6,503	8,486	9,469
5. Executive direction and staff services.....	274	333	303
Total certain nonadministrative expenses—costs.....	6,777	8,819	10,366
Financing:			
Unobligated balance lapsing.....	923	-----	-----
Limitation.....	7,700	8,341	10,366
Proposed increase in limitation due to pay increases.....	-----	478	-----

The office of examinations conducts regular periodic and special supervisory examinations of all Federal savings and loan associations, of State-chartered savings and loan associations, 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 office also examines and analyzes the financial condition of institutions which apply for membership in the system, for insurance of accounts, or for conversion from a State to a Federal charter. The institutions examined bear the costs of examination, and the fees charged therefor are calculated to defray all of the operating expenses of the division.

The following table reflects the work of the office:

[Dollars in millions]

Description	1960 actual	1961 estimate	1962 estimate
Examinations completed or to be completed.....	3,787	4,224	4,335
Average assets of insured institutions (start of year).....	\$14.2	\$15.6	\$17.4
Average volume new loans made by insured institutions during year.....	\$3.4	\$3.6	\$3.9

Object Classification—Certain Nonadministrative Expenses (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,531	5,875	7,089
Other personnel compensation.....	122	24	-----
Add excess of annual leave earned over leave taken.....	-----	82	62
Total personnel compensation.....	4,653	5,981	7,151
Deduct portion not chargeable to limitation.....	174	-----	-----
Net personnel compensation.....	4,479	5,981	7,151
12 Personnel benefits.....	303	458	548
21 Travel and transportation of persons.....	1,562	1,886	2,138
22 Transportation of things.....	6	7	8
23 Rent, communications, and utilities.....	184	213	266
24 Printing and reproduction.....	13	14	15
25 Other services.....	3	5	5
Federal Home Loan Bank Board services.....	174	207	173
Services of other agencies.....	1	1	2
26 Supplies and materials.....	24	28	33
31 Equipment.....	28	19	27
Total, certain nonadministrative expenses—costs.....	6,777	8,819	10,366

Personnel Summary—Certain Nonadministrative Expenses

Total number of permanent positions.....	743	824	949
Average number of all employees.....	688	794	913
Number of employees at end of year.....	712	824	949
Average GS grade.....	9.1	9.6	9.9
Average GS salary.....	\$6,582	\$7,400	\$7,745

INVESTMENT IN FEDERAL HOME LOAN BANKS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	1,000,000	1,000,000	1,000,000
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-1,000,000	-1,000,000	-1,000,000
Financing applied to program.....	-----	-----	-----

FEDERAL HOME LOAN BANK BOARD—Continued**Public enterprise funds—Continued****INVESTMENT IN FEDERAL HOME LOAN BANKS—Continued**

The Federal home loan banks, together with the building and loan associations and similar institutions which are members of the banks, constitute the Federal home loan bank system and 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 1962.

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Administrative expenses subject to limitation.....	762	857	890
2. Payments to Federal Home Loan Bank Board for—			
(a) Services and facilities.....	710	870	974
(b) Conservatorship, supervisory representative in charge, and other.....	14	1	-----
3. Other expenses.....	1	5	-----
4. Loss on assets acquired.....	-----	30	-----
5. Depreciation.....	18	18	19
Total operating costs.....	1,505	1,781	1,883
6. Unfunded adjustments to total operating costs:			
Depreciation included above (—).....	—18	—18	—19
Loss on assets acquired included above (—).....	-----	—30	-----
Total operating costs, funded.....	1,488	1,733	1,864
Capital outlay:			
1. Loans made.....	30,000	15,000	-----
2. Other assets acquired.....	-----	6,789	-----
3. Purchase of equipment.....	18	18	19
Total capital outlay.....	30,018	21,807	19
Total program costs, funded.....	31,505	23,540	1,883
7. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—6	—4	-----
Total obligations.....	31,499	23,536	1,883
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Liquidation of assets acquired.....	47	444	425
Insurance premiums and admission fees.....	40,814	47,207	53,706
Interest on U.S. securities.....	8,840	9,585	10,778
Interest on loans.....	-----	1,200	1,200
Other revenue.....	1	1	2
Credits applicable to prior years.....	9	-----	-----
Total amounts becoming available.....	49,711	58,437	66,111
Unobligated balance brought forward:			
Authorization to expend from public debt receipts.....	750,000	750,000	750,000
U.S. securities (par).....	305,346	323,558	358,459
Total amounts available.....	1,105,057	1,131,995	1,174,570

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward:			
Authorization to expend from public debt receipts.....	—750,000	—750,000	—750,000
U.S. securities (par).....	—323,558	—358,459	—422,687
Financing applied to program.....	31,499	23,536	1,883

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 thousand, 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 officers are paid from assessments made on the Corporation, the Federal home loan banks, and the division of examinations.

[Dollars in thousands]

	1960 actual	1961 estimate	1962 estimate
Number of insured member institutions.....	4,044	4,155	4,265
Number of insured savers.....	25,900,000	28,000,000	30,000,000
Potential liability.....	\$54,833,000	\$62,350,000	\$71,000,000
Assets of insured member institutions.....	\$63,301,000	\$72,200,000	\$82,300,000
Reserves and undivided profits of insured member institutions.....	\$4,307,000	\$4,800,000	\$5,300,000
Corporation's reserve for insurance losses.....	\$353,590	\$409,862	\$473,665
Percent of authorization to total income.....	1.6	1.4	1.4

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 \$15.7 billion or 32.9% 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 potential liability of the Corporation to an estimated \$71 billion by June 30, 1962, as compared to \$54.8 billion on June 30, 1960.

(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 26 years ago. Total losses to June 30, 1960, have amounted to \$5,204 thousand or slightly

more than 1% of cumulative gross income. Detailed information with respect to all of the insurance cases is summarized in the following table (dollars in thousands).

Method of settlement	Number of associations	Number of investors	Assets of associations	Loss to corporation
Contribution.....	29	55,037	\$57,216	\$4,878
Purchase of assets.....	2	11,791	27,153	17
Receivership.....	7	7,705	9,210	309
Summary.....	38	74,533	93,579	5,204

Still pending as of this date are two cases; in one, loans totaling \$30 million had been made and, in the other, it is anticipated that a purchase of assets will be effected to facilitate a merger.

(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.

2. *Payment to the Federal Home Loan Bank Board—(a) Services and facilities.*—The Corporation will subscribe 42% of the administrative expenses of the Federal Home Loan Bank Board in 1962 in return for services and facilities 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 1960 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.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Supplies and deferred charges.....	2	5	1	1
Pending and unclaimed insured accounts in liquidated institutions, gross.....	7	---	---	---
Unpaid undelivered orders.....	2	---	---	---
Total selected resources at end of year.....	11	5	1	1
Selected resources at start of year (—).....	---	—11	—5	—1
Costs financed from obligations of other years, net (—).....	---	—6	—4	---

Financing.—The original capital of \$100 million has been completely repaid to the Treasury, together with an additional \$43 million for the use of the funds.

The Corporation has continuing authority to borrow from the Treasury for insurance purposes, with a limitation of \$750 million outstanding at any one time. No borrowings under this authorization have ever been made.

The Corporation is further authorized to assess against each insured institution additional premiums for insurance until the amount of such premiums equals the amount of all losses and expenses of the Corporation; except that the total amount so assessed in any one year against any such institution shall not exceed one-eighth of 1% of the total amount of the accounts of its insured members and its creditor obligations.

Operating results and financial condition.—The Corporation is entirely self-supporting and in no one year have its operating expenses amounted to more than 5.3% of total income; in 1960 it amounted to 3%. Revenue

from all sources has been sufficient to meet all insurance losses, operating expense, return on capital stock, and to establish a reserve for contingencies of \$353.6 million as of June 30, 1960. Total revenue since 1934, of \$417.2 million, has been applied as follows (dollars in thousands):

	Amount	Percent
Expense.....	\$15,444	3.7
Net insurance losses.....	5,204	1.2
Return on capital stock to U.S. Treasury.....	42,975	10.3
Reserve for contingencies.....	353,590	84.8
Total.....	417,213	100.0

¹ Includes provision for accrued annual leave of employees of \$82 thousand established prior to July 1, 1960.

Operating expense for 1962 is estimated at \$1.9 million, consisting primarily of administrative expenses of the Corporation of \$0.9 million and \$1 million 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 1962, which is expected to be increased by \$15.6 million or 32.5% above the net income for 1960, will be retained by the Corporation to meet future contingencies.

The Corporation is required by law to accumulate a reserve equal to 5% of all insured accounts and creditor obligations of all insured institutions before collection of premiums may be discontinued. It is estimated that this statutory requirement will amount to \$3.6 billion by June 30, 1962. The insurance reserve as of that date is expected to reach \$473.7 million or 0.67% of an estimated potential liability of \$71 billion.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loans to insured institutions.....	30,000	15,000	---
Purchase of assets to prevent default.....	---	6,789	---
Purchase of furniture, fixtures, and equip- ment, fully depreciated.....	18	18	19
Expense.....	1,488	1,733	1,864
Increase in selected working capital.....	---	166	42
Total gross expenditures.....	31,506	23,706	1,925
Receipts from operations (funds provided):			
Proceeds from sale of assets acquired to pre- vent default.....	47	444	425
Revenue.....	49,655	57,993	65,686
Credits applicable to prior years.....	9	---	---
Decrease in selected working capital.....	2,221	---	---
Total receipts from operations.....	51,932	58,437	66,111
Budget expenditures.....	—20,426	—34,731	—64,186

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	49,655	57,993	65,686
Expense.....	1,485	1,721	1,883
Net operating income.....	48,170	56,272	63,80
Analysis of retained earnings:			
Retained earnings, beginning of year.....	305,411	353,590	409,862
Credits applicable to prior year.....	9	---	---
Retained earnings, end of year.....	353,590	409,862	473,665

FEDERAL HOME LOAN BANK BOARD—Continued

Public enterprise funds—Continued

FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION
FUND—Continued

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,275	1,006	1,192
U.S. securities (par).....	329,500	366,500	430,500
Accounts receivable, net.....	11,751	14,949	18,423
Supplies and deferred charges.....	5	1	1
Loans receivable.....	30,000	45,000	45,000
Assets acquired to prevent default, net.....	27	6,402	5,977
Total assets.....	374,558	433,858	501,093
Liabilities:			
Current.....	159	178	186
Deferred credits (unearned insurance premiums).....	20,809	23,818	27,242
Total liabilities.....	20,968	23,996	27,428
Government investment:			
Retained earnings.....	353,590	409,862	473,665

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash and U.S. securities.....	312,349	332,775	367,506	431,692
Budget authorization.....	750,000	750,000	750,000	750,000
Total unexpended balance.....	1,062,349	1,082,775	1,117,506	1,181,692
Obligated balance, net:				
Current liabilities.....	154	159	178	186
Deferred credits (unearned insurance premiums).....	18,132	20,809	23,818	27,242
Unpaid undelivered orders.....	2			
Accounts receivable, net (—).....	—11,285	—11,751	—14,949	—18,423
Total obligated balance.....	7,003	9,217	9,047	9,005
Unobligated balance.....	1,055,346	1,073,558	1,108,459	1,172,687

Note.—The potential liability on insured share accounts and creditor obligations at fiscal year end is as follows: 1959, \$48.3 billion; 1960, \$54.8 billion; 1961, \$62.4 billion; 1962, \$71 billion.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL SAVINGS AND
LOAN INSURANCE CORPORATION

Not to exceed **[\$800,000]** \$890,000 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, 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]1730a). (*Independent Offices Appropriation Act, 1961*.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administrative expenses:			
(a) Underwriting.....	171	192	198
(b) Prevention of default and payment of insurance.....	81	94	94
(c) Analysis of operations.....	289	318	334
(d) Executive direction and fiscal and other administrative services.....	221	253	264
Total accrued expenses—costs.....	762	857	890
Financing:			
Unobligated balance lapsing.....	13		
Limitation.....	775	800	890
Proposed increase in limitation due to pay increases.....		57	

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	571	654	674
Positions other than permanent.....	3	2	
Other personnel compensation.....	16	13	3
Total personnel compensation.....	590	669	677
Deduct portion not chargeable to limitation.....	1		
Net personnel compensation.....	589	669	677
12 Personnel benefits.....	39	50	51
21 Travel and transportation of persons.....	9	15	15
23 Rent, communications, and utilities.....	57	58	63
24 Printing and reproduction.....	25	24	27
25 Other services.....	37	35	51
26 Supplies and materials.....	6	6	6
Total accrued expenses—costs.....	762	857	890

Personnel Summary

Total number of permanent positions.....	94	94	94
Full-time equivalent of other positions.....	1	1	
Average number of all employees.....	86	91	91
Number of employees at end of year.....	84	94	94
Average GS grade.....	7.9	8.0	8.0
Average GS salary.....	\$6,593	\$7,211	\$7,324

HOME OWNERS' LOAN CORPORATION FUND

The Corporation was created to provide credit facilities to refinance the mortgages of destitute urban homeowners. 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 \$423 thousand at the end of 1960 and are estimated to be reduced to \$330 thousand by the end of 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Increase in selected working capital (interest paid).....	4	4	4
Budget expenditures.....	4	4	4

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	423	374	330
Liabilities:			
Interest payable.....	74	70	66
Matured bonds payable held by public.....	349	304	264
Total liabilities.....	423	374	330

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury....	492	423	374	330
Obligated balance, net: Liabilities.....	492	423	374	330
Unobligated balance.....				

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
14 Interest.....	4	4	4

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, FEDERAL HOME LOAN BANK BOARD

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative services (total obligations)....	82	65	70
Financing:			
Advances and reimbursements from other accounts.....	82	65	70

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel Compensation: Permanent positions.....	46	37	41
12 Personnel benefits.....	3	3	3
23 Rent, communications, and utilities.....	10	8	8
26 Supplies and materials.....	21	16	18
31 Equipment.....	2	1	
Total obligations.....	82	65	70

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	11	12	12
Average number of all employees.....	14	14	15
Number of employees at end of year.....	14	14	15
Average salary of ungraded positions.....	\$5,431	\$5,379	\$5,414

Proposed for later transmission:

Under proposed legislation, 1962.—Legislation will be proposed for the temporary prepayment of premiums by insured associations to the Federal Savings and Loan Insurance Corporation at the rate of 2% annually on the net increases in savings in the institutions. This amount

is additional to the regular premium of one-twelfth of 1%, and will increase the receipts of the Corporation by an estimated \$164 million in 1962. The additional premiums will be continued only until the reserves of the Corporation reach 2% of the insured liability.

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; **[\$3,905,400] \$4,388,000.** (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Mediation and conciliation of labor disputes.....	3,503	3,795	3,971
2. Presidential boards of inquiry.....	15		10
3. Administration.....	357	384	404
Total program costs.....	3,875	4,179	4,385
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-13	
Obligations incurred for costs of other years, net.....	28		3
Total obligations.....	3,903	4,166	4,388
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority.....	3,905	4,166	4,388
New obligational authority:			
Appropriation.....	3,905	3,905	4,388
Proposed supplemental due to pay increases.....		261	

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 97,000 employers were received by the Service. About 19,900 cases were assigned for mediation and 20,170 mediation assignments were closed during the year.

WORKLOAD

	1956	1957	1958	1959	1960
Cases pending, beginning of year.....	2,540	2,254	2,422	4,221	4,470
Mediation assignments.....	14,604	13,479	16,487	20,172	19,931
Mediation assignments closed.....	14,890	13,311	14,688	19,923	20,170
Cases pending, end of year.....	2,254	2,422	4,221	4,470	4,231

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.

FEDERAL MEDIATION AND CONCILIATION SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3 thousand; 1960, \$31 thousand; 1961, \$18 thousand; 1962, \$21 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,102	3,376	3,523
Positions other than permanent.....	12	14	17
Other personnel compensation.....	27	15	2
Total personnel compensation.....	3,141	3,405	3,542
12 Personnel benefits.....	214	254	266
21 Travel and transportation of persons.....	275	276	317
22 Transportation of things.....	9	10	10
23 Rent, communications, and utilities.....	155	156	167
24 Printing and reproduction.....	7	8	8
25 Other services.....	10	11	11
Services of other agencies.....	19	13	13
26 Supplies and materials.....	24	18	20
31 Equipment.....	49	15	34
Total obligations.....	3,903	4,166	4,388

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	344	344	359
Full-time equivalent of other positions.....	3	2	2
Average number of all employees.....	343	345	358
Number of employees at end of year.....	347	344	359
Average GS grade.....	10.6	10.6	10.7
Average GS salary.....	\$9,065	\$9,785	\$9,830

FEDERAL POWER COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the work of the Commission, as authorized by law, including hire of passenger motor vehicles; [\$7,663,500] \$8,793,000, 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) [L], but at rates not exceeding \$50 per diem for individuals: *Provided*, That the Commission 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 six General Schedule positions in the following grades: four in grade GS-18, one in grade GS-17, and one in grade GS-16; and such positions shall be in addition to positions previously allocated to this agency under section 505 of said Act [L]. (15 U.S.C. 717-717w; 16 U.S.C. 791a-825s, 828, 831m-1, 831m-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, 212-213, 1344; 60 Stat. 1080; 68 Stat. 573; 71 Stat. 401; Executive Order 10485, Sept. 3, 1953; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Non-Federal hydroelectric projects.....	1,461	1,697	1,755
2. Electric power industry.....	1,111	1,205	1,239
3. Natural gas industry.....	3,686	4,242	4,766

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Federal river development projects.....	349	383	385
5. International Joint Commission.....	23	17	17
6. Administration.....	569	620	631
Total program costs.....	7,199	8,164	8,793
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	3		
Total obligations.....	7,202	8,164	8,793
Financing:			
Unobligated balance lapsing.....	16		
New obligational authority.....	7,218	8,164	8,793
New obligational authority:			
Appropriation.....	7,218	7,664	8,793
Proposed supplemental due to pay increases.....		500	

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.

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	1960 actual	1961 estimate	1962 estimate
Licensed projects (2,000 h.p. and over).....	204	208	223
Claimed cost of licensed projects (in millions).....	\$5,046	\$5,100	\$5,250
Applications completed during the year.....	95	110	105
Applications pending, end of year.....	129	124	124
Annual receipts from licenses (in thousands).....	\$1,900	\$2,742	\$2,518

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, dispositions 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:

Description	CALENDAR YEAR BASIS		
	1959 actual	1960 estimate	1961 estimate
Number of public utilities regulated.....	183	185	185
Operating revenue of regulated utilities (in millions).....	\$7,000	\$7,500	\$8,100
Number of utilities reporting for statistical purposes.....	850	850	850
Operating revenue of reporting utilities (in millions).....	\$10,800	\$11,600	\$12,400

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 1959, there were approximately 19,000 independent producers, of which 3,372 had rate schedule numbers assigned. There were also 96 regulated natural

gas pipeline companies, with operating revenue of \$4.1 billion. It is estimated that the number of independent producers and pipeline companies will remain substantially unchanged in 1960 and 1961. However, the operating revenue of the pipeline companies is expected to increase to \$4.4 billion and \$4.8 billion, respectively. Other pertinent data are:

Description	1960 actual	1961 estimate	1962 estimate
Certificate applications filed:			
(a) Pipeline companies.....	294	300	300
(b) Independent producers.....	1,788	1,800	1,800
Pipeline gas rate cases handled.....	153	179	179
Independent producer rate cases handled.....	2,773	2,993	3,033
Rate cases on hand, end of year.....	2,442	2,562	2,503
Total rate filings received.....	10,080	10,100	10,100

4. *Federal river development projects.*—Of a potential 127.1 million kilowatts of hydroelectric power in the United States, 31.9 million kilowatts had been developed by Federal agencies and non-Federal interests as of December 31, 1959.

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 1960, a total of 107 studies were carried on and it is estimated that there will be 99 in 1961 and 101 in 1962.

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.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	24	25	25	25
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	56	58	58	58
Total selected resources at end of year.....	80	83	83	83
Selected resources at start of year (—).....	—	—80	—83	—83
Obligation incurred for costs of other years, net.....	—	3	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,965	6,768	7,284
Positions other than permanent.....	42	40	—
Other personnel compensation.....	53	26	—
Total personnel compensation.....	6,060	6,834	7,284
12 Personnel benefits.....	414	525	558
21 Travel and transportation of persons.....	372	438	513
22 Transportation of things.....	5	6	6
23 Rent, communications, and utilities.....	98	103	135
24 Printing and reproduction.....	91	90	108
25 Other services.....	26	31	33
Services of other agencies.....	3	4	4
26 Supplies and materials.....	76	71	74
31 Equipment.....	57	62	78
Total obligations.....	7,202	8,164	8,793

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	853	898	980
Full-time equivalent of other positions.....	12	11	—
Average number of all employees.....	826	862	933
Number of employees at end of year.....	859	880	960
Average GS grade.....	8.7	8.9	9.0
Average GS salary.....	\$7,171	\$7,866	\$7,908
Average salary of ungraded positions.....	\$4,968	\$4,938	\$4,970

Permanent authorizations:

PAYMENTS TO STATES UNDER FEDERAL POWER ACT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments to States (total costs—obligations) (object class 41).....	55	67	57
Financing:			
New obligatory authority (appropriation).....	55	67	57

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).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Non-Federal hydroelectric projects.....	9	—	—
2. Federal river development projects.....	15	—	—
Total obligations.....	24	—	—
Financing:			
Advances and reimbursements from other accounts.....	24	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	10	—	—
12 Personnel benefits.....	1	—	—
21 Travel and transportation of persons.....	10	—	—
23 Rent, communications, and utilities.....	1	—	—
24 Printing and reproduction.....	2	—	—
Total obligations.....	24	—	—

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	1	—	—
Number of employees at end of year.....	0	—	—
Average GS grade.....	13.0	—	—
Average GS salary.....	\$10,170	—	—

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), and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), **[\$7,507,500] \$9,640,000: Provided,** That no part of the foregoing appropriation shall be expended upon any investigation hereafter provided by concurrent resolution of the Congress until funds are appropriated subsequently to the enactment of such resolution to finance the cost of such investigation. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Antimonopoly:			
(a) Investigation and litigation	2,948	3,457	4,204
(b) Economic and financial reports	587	656	711
(c) Trade practice conferences, industry guides, and small business	110	126	150
2. Deceptive practices:			
(a) Investigation and litigation	1,637	1,928	2,395
(b) Trade practice conferences, industry guides, and small business	220	252	300
(c) Textile and fur enforcement	517	660	895
(d) Lanham Act and insurance	1	1	1
3. Executive direction and management	429	490	503
4. Administration	390	440	480
Total program costs ¹	6,839	8,010	9,640
5. Unfunded adjustment to total program costs: Property transferred in (-) without charge, net	-3		
Total program costs, funded	6,836	8,010	9,640
6. Relation of costs to obligations: Obligations incurred for costs of other years, net	4		
Total obligations	6,840	8,010	9,640
Financing:			
New obligational authority	6,840	8,010	9,640
New obligational authority:			
Appropriation	6,840	7,508	9,640
Proposed supplemental due to pay increases		502	

¹ Includes capital outlay as follows: 1960, \$20 thousand; 1961, \$50 thousand; 1962, \$67 thousand.

The Commission has the duty of preserving free competitive enterprise through prevention of monopolistic and unfair trade.

SELECTED WORKLOAD DATA

	1959 actual	1960 actual	1961 estimate	1962 estimate
Applications for complaint received	5,210	5,930	7,000	8,500
Investigations instituted	975	1,912	2,300	2,600
Investigations completed	1,095	1,140	1,500	2,100
Investigations pending	1,336	2,142	2,900	3,500
Formal complaints issued:				
Antimonopoly	80	157	300	350
Deceptive practices	272	346	500	650
Orders to cease and desist issued:				
Antimonopoly	69	58	150	225
Deceptive practices	277	296	325	425
Stipulations to cease and desist negotiated	147	104	125	140
Assurances of discontinuance of violations accepted	1,056	716	1,400	1,800
Pending cases in litigation	309	457	600	800
Trade-practice rules promulgated	14	3	8	14
Industry guides issued	2	3	4	4
Penalty suits certified	14	25	40	50
Penalty suits completed	8	11	20	30
Cases pending in Federal court	29	41	47	53
Cases completed in Federal court	23	27	33	39

1. *Antimonopoly.*—All types of monopolistic restrictions, including price-fixing conspiracies, boycotting, price discriminations, and illegal mergers and acquisitions are corrected; economic data and criteria are brought to bear on monopoly and related problems; and supervision is provided over the registration and operations of associations of American exporters engaged solely in export trade. In 1962, 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 1962, field investigation and trial of deceptive practice cases will be expedited, and the Commission will continue with the program of enforcement of the Textile Fiber Products Identification Act.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	4	4	4	4
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	20	24	24	24
Total selected resources at end of year	24	28	28	28
Selected resources at start of year (-)		-24	-28	-28
Obligations incurred for costs of other years, net		4		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	5,753	6,681	7,925
Positions other than permanent	26	12	
Other personnel compensation	66	45	12
Total personnel compensation	5,845	6,739	7,937
12 Personnel benefits	398	510	596
21 Travel and transportation of persons	258	340	441
22 Transportation of things	6	6	8
23 Rent, communications, and utilities:			
Rent	36	41	186
Communications	84	81	89
24 Printing and reproduction	46	50	50
25 Other services	22	18	19
Clinical testing	20	50	85
Stenographic reporting	27	27	38
Topical digest of decisions		18	18
26 Supplies and materials	78	80	106
31 Equipment	20	50	67
Total obligations	6,840	8,010	9,640

Personnel Summary

	1959	1960	1961	1962
Total number of permanent positions	754	823	1,031	
Full-time equivalent of other positions	4	1		
Average number of all employees	751	816	1,021	
Number of employees at end of year	782	850	1,020	
Average GS grade	9.2	9.2	8.9	
Average GS salary	\$7,631	\$8,155	\$7,754	

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] ; allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946, as amended, as determined by the Commission; expenses of packing shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters for personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; insurance on official motor vehicles abroad; and advances of funds abroad; not to exceed [\$10,000] \$20,000 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; [\$340,000] \$725,000, and in addition \$40,000 (to be merged with this appropriation) to be derived from the War claims fund created by section 13(a) of the War Claims Act of 1948 (50 U.S.C. App. 2012a).

[For an additional amount for "Salaries and expenses", including allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946, as amended, as determined by the Commission; expenses of packing, shipping, and storing personal effects of personnel assigned abroad; rental or lease, for such periods as may be necessary, of office space and living quarters for personnel assigned abroad; maintenance, improvement, and repair of properties rented or leased abroad, and furnishing fuel, water, and utilities for such properties; hire of passenger motor vehicles abroad; insurance on official motor vehicles abroad; and advances of funds abroad; \$145,000: Provided, That the limitation under this head in the General Government Matters Appropriation Act, 1961, on the amount available for expenses of travel, is increased from "\$10,000" to "\$30,000".] (62 Stat. 1240; 64 Stat. 12; 68 Stat. 1279; General Government Matters Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Administration and settlement of international claims.....	358	443	655
2. Review of claims programs.....	50	63	70
Total direct obligations.....	408	506	725
Reimbursable obligations:			
3. Administration and settlement of World War II claims.....	50	40	40
Total obligations.....	458	546	765
Financing:			
Advances and reimbursements from War claims fund.....	-50	-40	-40
New obligational authority.....	408	506	725
New obligational authority:			
Appropriation.....	408	485	725
Proposed supplemental due to pay increases.....		21	

The Foreign Claims Settlement Commission is responsible for the settlement of claims authorized by the War Claims Act and the International Claims Settlement Act.

1. *Administration and settlement of international claims.*—Processing of claims of U.S. nationals for the nationalization or other taking of property has com-

menced under the terms of an en bloc agreement with Poland. Funds totaling \$40 million will be deposited by Poland over a period of 20 years from which the Treasury will make payments against awards certified by the Commission. An estimated 20 thousand claims are expected to be received in the Commission by the filing deadline of September 30, 1961. This program is expected to be completed within 5 years. A small field office in Warsaw, Poland, will investigate validity of claims data.

A total of 4,012 claims of U.S. nationals against Czechoslovakia has been received. The processing of claims should be approximately 90% completed by the end of 1962. Awards will be paid out of a \$9 million trust fund held by the Treasury and a 5% deduction will be made as an offset against appropriations for administrative expenses.

2. *Review of claims programs.*—Research, reports, documentation, and similar functions responsive to requirements of the Congress and of other agencies of the Government concerning past, present, and proposed programs and problems are covered by this activity.

3. *Administration and settlement of World War II claims.*—Liquidation of previous programs under the War Claims Act will continue during 1962 financed by reimbursement from the War claims fund.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	410	474	599
Other personnel compensation.....	2	2	10
Total personnel compensation.....	412	476	609
Direct obligations:			
11 Personnel compensation.....	366	439	571
12 Personnel benefits.....	25	29	49
21 Travel and transportation of persons.....	6	15	20
22 Transportation of things.....	1	1	8
23 Rent, communications, and utilities.....	5	9	54
24 Printing and reproduction.....	3	9	7
25 Other services.....	1	1	2
Services of other agencies.....			8
26 Supplies and materials.....	1	2	4
31 Equipment.....	1	1	8
Subtotal.....	408	506	731
Deduct quarters and subsistence charges.....			6
Total direct obligations.....	408	506	725
Reimbursable obligations:			
11 Personnel compensation.....	46	37	38
12 Personnel benefits.....	3	3	2
23 Rent, communications, and utilities.....	1		
Total reimbursable obligations.....	50	40	40
Total obligations.....	458	546	765

Personnel Summary

Total number of permanent positions.....	55	55	84
Full-time equivalent of other positions.....			6
Average number of all employees.....	48	52	74
Number of employees at end of year.....	47	55	90
Average GS grade.....	9.2	9.3	8.7
Average GS salary.....	\$7,731	\$8,365	\$7,652

FOREIGN CLAIMS SETTLEMENT COMMISSION— Continued

Current authorizations—Continued

PAYMENT OF KOREAN CLAIMS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of Korean claims (total obligations) (object class 41)-----	6	-----	-----
Financing:			
New obligational authority (appropriation)---	6	-----	-----

GENERAL ACCOUNTING OFFICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the General Accounting Office, including 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), and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), **[\$41,150,000] \$43,000,000.** (31 U.S.C. 41, *sup. V*, 841; 60 Stat. 812, 837; 64 Stat. 460, 832; *Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Office of the Comptroller General-----	56	77	74
2. Office of the Assistant Comptroller General-----	35	35	35
3. Office of administrative services-----	2,428	2,646	2,683
4. Claims division-----	3,293	3,108	2,355
5. Transportation division-----	7,365	7,551	7,152
6. Division of personnel-----	296	332	340
7. Office of the general counsel-----	1,592	1,821	1,843
8. Accounting and auditing policy staff-----	337	366	385
9. Office of staff management-----	138	169	186
10. Defense accounting and auditing division-----	5,932	6,479	6,714
11. Civil accounting and auditing division-----	5,710	6,372	6,638
12. Field operations division-----	10,079	11,807	13,035
13. European branch-----	822	941	998
14. Far East branch-----	400	475	562
Total program costs-----	38,483	42,179	43,000
15. Relation of costs to obligations: Obligations incurred for costs of other years, net-----	23	-----	-----
Total obligations-----	38,506	42,179	43,000
Financing:			
Unobligated balance lapsing-----	3,294	-----	-----
New obligational authority-----	41,800	42,179	43,000
New obligational authority:			
Appropriation-----	41,800	41,150	43,000
Proposed supplemental due to pay increases-----	-----	1,029	-----

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.

1-3. *Office of the Comptroller General.*—Executive management of the General Accounting Office is carried out by the Comptroller General who is assisted by the Assistant Comptroller General and staff assistants.

4. *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.

5. *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 \$21,545 thousand during 1960.

7. *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 assist the Comptroller General in coordinating the various activities of the General Accounting Office with the Congress, its committees, and individual members, participate in conferences with legislative and administrative officials of the Government on legal matters of a fiscal nature, the sufficiency of proposed legislation, the desirability of new legislation for particular purposes, and render all other required legal services.

8. *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, and 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.

9. *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.

10. *Defense accounting and auditing division.*—This division performs the accounting, auditing, and investigative functions of the General Accounting Office in the Department of Defense, including the military departments. 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.

11. *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.

12. *Field operations division.*—This division, which is composed of a central office and regional offices under the direction of regional managers, performs, outside the metropolitan area of Washington, D.C., all assigned accounting, auditing, and investigative functions.

13. *European branch.*—This branch, with headquarters in Paris, France, performs General Accounting Office functions as they relate to U.S. Government operations in the European area, including north Africa and the Near East. A suboffice is located in Frankfurt, Germany.

14. *Far East branch.*—This branch, with headquarters in Tokyo, Japan, performs General Accounting Office functions as they relate to U.S. Government operations in the Far East area.

15. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	79	87	87	87
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	66	82	82	82
Total selected resources at end of year.....	145	169	169	169
Selected resources at start of year (—).....		—145	—169	—169
Adjustment of selected resources reported at start of year.....		—1	—	—
Obligations incurred for costs of other years, net.....		23	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	32,441	35,449	36,134
Positions other than permanent.....	3	14	14
Other personnel compensation.....	449	257	84
Total personnel compensation.....	32,894	35,720	36,232
12 Personnel benefits.....	2,422	2,932	2,954
21 Travel and transportation of persons.....	2,056	2,400	2,650
22 Transportation of things.....	109	100	124
23 Rents, communications, and utilities.....	290	287	299
24 Printing and reproduction.....	100	120	120
25 Other services.....	80	82	84
Services of other agencies.....	235	238	237
26 Supplies and materials.....	219	210	210
31 Equipment.....	101	90	90
Total obligations.....	38,506	42,179	43,000

Personnel Summary

Total number of permanent positions.....	5,203	5,172	5,122
Average number of all employees.....	5,056	5,011	4,970
Number of employees at end of year.....	5,074	5,086	5,061
Average GS grade.....	7.8	8.0	8.2
Average GS salary.....	\$6,438	\$7,100	\$7,289

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Defense accounting and auditing division.....	10	15	15
2. Civil accounting and auditing division.....	10	10	10
3. Field operations division.....	24	25	25
Total program costs—obligations.....	44	50	50
Financing:			
Advances and reimbursements from other accounts.....	44	50	50

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	10	15	15
21 Travel.....	34	35	35
Total obligations.....	44	50	50

Personnel Summary

Total number of permanent positions.....	2	2	2
Average number of all employees.....	2	2	2
Number of employees at end of year.....	0	0	0
Average GS grade.....	9.1	11.1	11.1
Average GS salary.....	\$6,000	\$7,000	\$7,000

HISTORICAL AND MEMORIAL COMMISSIONS

Current authorizations:

BOSTON NATIONAL HISTORIC SITES COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning the preservation of historic properties (total program costs).....	19	1	—
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1	—
Obligations incurred for costs of other years, net.....	1	—	—
Total obligations.....	20	—	—
Financing:			
New obligational authority (appropriation)....	20	—	—

1. *Planning the preservation of historic properties.*—The Commission terminated June 30, 1960.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	14	—	—
12 Personnel benefits.....	1	—	—

HISTORICAL AND MEMORIAL COMMISSIONS— Continued

Current authorizations—Continued

BOSTON NATIONAL HISTORICAL SITES COMMISSION—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1		
24 Printing and reproduction.....	1		
25 Other services.....	3		
Total obligations.....	20		

Personnel Summary

Total number of permanent positions.....	2		
Average number of all employees.....	2		
Number of employees at end of year.....	3		
Average GS grade.....	8.5		
Average GS salary.....	\$6,884		

CIVIL WAR CENTENNIAL COMMISSION

For expenses necessary to carry out the provisions of the Act of September 7, 1957 (71 Stat. 626), as amended (72 Stat. 1769), \$100,000.

【For an additional amount for "Civil War Centennial Commission", \$3,750.】 (*Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning the commemoration (total program costs).....	105	104	100
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1		
Total obligations.....	104	104	100
Financing:			
Advances and reimbursements from non-Federal sources (40 U.S.C. 481(c)).....	—4		
New obligational authority (appropriation)	100	104	100

1. *Planning the commemoration.*—The years 1961–1965 will mark the centennial of the American Civil War. The Commission is preparing plans and programs to provide for appropriate nationwide observances and the coordination of ceremonies to commemorate this experience in our history as a Nation.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$13 thousand; 1959 (adjusted), \$11 thousand; 1960, \$10 thousand; 1961, \$10 thousand; 1962, \$10 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	53	59	59
Positions other than permanent.....	7	6	6
Total personnel compensation.....	61	65	66

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	2	3	3
21 Travel and transportation of persons.....	6	8	8
23 Rent, communications, and utilities.....	3	3	3
24 Printing and reproduction.....	4	4	4
25 Other services.....	26	19	15
26 Supplies and materials.....	1	1	1
31 Equipment.....	1	1	
Total obligations.....	104	104	100

Personnel Summary

Total number of permanent positions.....	7	7	7
Average number of all employees.....	7	7	7
Number of employees at end of year.....	7	7	7
Average GS grade.....	8.2	8.2	8.2
Average GS salary.....	\$6,552	\$7,141	\$7,349
Average salary of ungraded positions.....	\$16,500	\$17,737	\$17,737

FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning the memorial (total program costs).....	15	141	
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—5	
Obligations incurred for costs of other years, net.....	5		
Total obligations.....	20	136	
Financing:			
Unobligated balance brought forward.....	—7	—136	
Unobligated balance carried forward.....	136		
New obligational authority (appropriation)	150		

1. *Planning the memorial.*—The Commission is conducting a competition for the design of a memorial to Franklin Delano Roosevelt in Washington, D.C.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$5 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	10	16	
21 Travel and transportation of persons.....	1	1	
23 Rent, communications, and utilities.....	1	1	
24 Printing and reproduction.....	4	4	
25 Other services.....	4	4	
41 Grants, subsidies, and contributions.....		110	
Total obligations.....	20	136	

Personnel Summary

Total number of permanent positions.....	3	3	
Average number of all employees.....	1	1	
Number of employees at end of year.....	0	0	
Average salary of ungraded positions.....	\$11,333	\$11,333	

HUDSON-CHAMPLAIN CELEBRATION COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning and executing the celebration (total program costs).....	52		
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-1		
Total obligations.....	51		
Financing:			
Unobligated balance brought forward.....	-26		
New obligational authority (appropriation)	25		

1. *Planning and executing the celebration.*—The Commission terminated March 1, 1960.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	20		
21 Travel and transportation of persons.....	13		
23 Rent, communications, and utilities.....	2		
25 Other services.....	15		
26 Supplies and materials.....	1		
Total obligations.....	51		

Personnel Summary

Total number of permanent positions.....	4		
Average number of all employees.....	4		
Number of employees at end of year.....	0		
Average salary of ungraded positions.....	\$7,594		

【JAMES MADISON MEMORIAL COMMISSION】

【For expenses necessary to carry out the provisions of the Act of April 8, 1960 (74 Stat. 37), establishing the James Madison Memorial Commission, \$10,000, to remain available until expended.】
(*Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Planning the memorial (total costs—obligations).....		10	
Financing:			
New obligational authority (appropriation).....		10	

The Commission was established for the purpose of formulating plans for the design, construction, and location of a permanent memorial to James Madison in the city of Washington, D.C., or in its immediate environs.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....		2	
21 Travel and transportation of persons.....		4	
24 Printing and reproduction.....		2	
25 Other services.....		2	
Total obligations.....		10	

Personnel Summary

Average number of employees.....		1	
Number of employees at end of year.....		0	

JAMESTOWN-WILLIAMSBURG-YORKTOWN CELEBRATION COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning the celebration (total program costs).....	7		
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-7		
Total obligations.....			

1. *Planning the celebration.*—The Commission expired in 1958.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$14 thousand; 1959 (adjusted), \$7 thousand.

LINCOLN SESQUICENTENNIAL COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning the celebration (total program costs).....	224	55	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-86	-55	
Total obligations.....	138		
Financing:			
Unobligated balance lapsing.....	7		
New obligational authority (appropriation)	145		

1. *Planning the celebration.*—The Commission terminated June 30, 1960.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$145 thousand; 1959 (adjusted), \$141 thousand; 1960, \$55 thousand.

HISTORICAL AND MEMORIAL COMMISSIONS—Continued

Current authorizations—Continued

LINCOLN SESQUICENTENNIAL COMMISSION—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	15		
Positions other than permanent.....	24		
Total personnel compensation.....	39		
12 Personnel benefits.....	1		
21 Travel and transportation of persons.....	2		
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	1		
24 Printing and reproduction.....	20		
25 Other services.....	74		
Total obligations.....	138		

Personnel Summary

Total number of permanent positions.....	3		
Full-time equivalent of other positions.....	3		
Average number of all employees.....	5		
Number of employees at end of year.....	2		
Average GS grade.....	9.0		
Average GS salary.....	\$7,419		

THEODORE ROOSEVELT CENTENNIAL COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Planning the celebration (total costs—obligations).....	4		
Financing:			
Unobligated balance brought forward.....	—4		
New obligational authority (appropriation)			

The Commission terminated October 27, 1959.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	3		
25 Other services.....	1		
Total obligations.....	4		

[UNITED STATES TERRITORIAL EXPANSION MEMORIAL COMMISSION]

[Funds previously appropriated under this head shall remain available until expended.] (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning the memorial (total program costs).....		5	
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1	
Obligations incurred for costs of other years, net.....	1		
Total obligations (object class 21).....	1	4	
Financing:			
Unobligated balance lapsing.....	4		
New obligational authority	5	4	
New obligational authority:			
Appropriation	5		
Reappropriation		4	

1. *Planning the memorial.*—The Commission plans to hold meetings in connection with physical developments at the Jefferson National Expansion Memorial, St. Louis, Mo.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$1 thousand.

INDIAN CLAIMS COMMISSION

Current authorizations:

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, [\$195,800] \$280,000, of which not to exceed [\$6,500] \$10,000 shall be available for expenses of travel. (74 Stat. 104; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Hearings and adjudicating of Indian claims (total program costs).....	176	196	285
2. Relation of costs to obligation:			
Costs financed from obligation of other years, net (—).....			—5
Obligations incurred for costs of other years, net.....	2	10	
Total obligations.....	178	206	280
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority	180	206	280
New obligational authority:			
Appropriation	180	196	280
Proposed supplemental due to pay increases		10	

This independent commission of three members was created to hear and adjudicate claims, existing before August 13, 1946, of tribes, bands, or other identifiable groups of American Indians. Of the 596 claims filed, 124 have been completed. Payments of awards are dependent upon subsequent appropriations made through claims, judgments, and private relief acts to the Treasury Department. These appropriations total \$37,127 thousand through August 1960.

Legislation is required and will be proposed to extend the life of the commission beyond April 10, 1962, in order to permit completion of pending claims.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by activities).....	5	7	14	11
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	3	3	6	4
Accrued annual leave (leave earned and not taken by employees, not charged to activity costs).....	10	10	10	10
Total selected resources at end of year.....	18	20	30	25
Selected resources at start of year (—).....		—18	—20	—30
Costs financed from obligations of other years, net (—).....				—5
Obligations incurred for costs of other years, net.....		2	10	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	160	179	241
12 Personnel benefits.....	10	13	20
21 Travel and transportation of persons.....	1	7	10
23 Rent, communications, and utilities.....	1	2	3
24 Printing and reproduction.....			2
25 Other services.....	2		
26 Supplies and materials.....	2	1	2
31 Equipment.....	2	4	2
Total obligations.....	178	206	280

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	17	17	23
Average number of all employees.....	17	17	23
Number of employees at end of year.....	17	17	23
Average GS grade.....	10.2	10.4	10.7
Average GS salary.....	\$7,535	\$8,250	\$9,350

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] ; and purchase of not to exceed [thirty-three] *forty-two* passenger motor vehicles of which [twenty-seven] *thirty-six* shall be for replacement only; [\$20,138,500] *\$22,200,000*, of which not less than [\$1,567,000] *\$1,696,700* shall be available for expenses necessary to carry out railroad safety activities and not less than [\$1,094,500] *\$1,129,000* shall be available for expenses necessary to carry out locomotive inspection activities: *Provided*, That Joint Board mem-

bers and cooperating State commissioners may use Government transportation requests when traveling in connection with their duties as such. (*Interstate Commerce Act and supplemental acts, parts I, II, III, IV, and V (49 U.S.C. chs. 1, 2, 8, 12, 13; Inland Waterways Transportation Act, 49 U.S.C. ch. 5; Federal Aviation Act of 1958, 49 U.S.C. 1003; Bankruptcy Act, 11 U.S.C. 77; corporate reorganizations, 11 U.S.C. 106; Clayton Antitrust Act, 15 U.S.C. 12, 18, 20, 21, 24, 25, 26, 27; Standard Time Act, 15 U.S.C. ch. 6; explosives and combustibles, 18 U.S.C. 831-835; Parcel Post Acts, 39 U.S.C. 247; railway service pay, 39 U.S.C. 523-570; Safety Appliance Locomotive Inspection and Accident Reports Act, 45 U.S.C. ch. 1 (1-64); Railway Labor Act, 45 U.S.C. 151; Railroad Retirement Act, 45 U.S.C. 228a; Railroad Unemployment Insurance Act, 45 U.S.C. 351; Medals of Honor Act, 45 U.S.C. 44; Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Regulation of carrier rates, practices, operating authorities, and finance.....	5,088	5,694	6,059
2. Compliance.....	4,787	5,185	5,399
3. Supervision and analysis of carrier accounting and statistics.....	2,600	2,899	2,956
4. Supervision and interpretation of tariffs.....	1,322	1,435	1,433
5. Railroad safety and car service:			
(a) Car service.....	1,008	1,076	1,052
(b) Railroad safety.....	1,547	1,663	1,697
(c) Locomotive inspection.....	1,044	1,160	1,129
6. Executive and advisory functions.....	1,146	1,208	1,224
7. General management and administration.....	1,043	1,132	1,251
Total program costs.....	19,585	21,452	22,200
8. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	50		
Total obligations.....	19,635	21,452	22,200
Financing:			
Unobligated balance lapsing.....	15		
New obligational authority.....	19,650	21,452	22,200
New obligational authority:			
Appropriation.....	19,650	20,138	22,200
Proposed supplemental due to pay increases.....		1,313	

The Commission regulates common and, in the case of motor and water carriers, contract carriers engaged in interstate commerce and foreign commerce, to the extent that it takes place within the United States. The types of carriers covered include railroads, express companies, sleeping car companies, motor carriers, water carriers, pipelines (except water and gas), and freight forwarders.

The increase of \$748 thousand is requested in order to handle the continually increasing number of applications for motor carrier permanent and temporary operating authorities and applications for mergers and consolidations of motor carriers and railroads, to improve the economic and cost data necessary for regulatory activities, and to provide a more adequate level of compliance with the provisions of the Interstate Commerce Act and related acts.

1. *Regulation of carrier rates, practices, operating authorities, and finance.*—This activity of the Commission consists of regulating rates; granting operating authorities; approving applications for abandonments of and extensions of railroad lines, financial reorganizations, and rate agreements between carriers; reviewing proposed discontinuances of or changes in the operation or service of trains and ferries; and guaranteeing loans (\$53 million outstanding June 30, 1960) to railroads.

INTERSTATE COMMERCE COMMISSION—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

2. *Compliance.*—The Commission enforces statutes and regulations affecting transportation and carriers. Examinations are made to ascertain that motor carriers and freight forwarders are adequately insured, and surveys of motor carrier operating practices are conducted to reduce accidents and to promote highway safety.

3. *Supervision and analysis of carrier accounting and statistics.*—The Commission is responsible for the formulation and policing of uniform systems of accounts; the preparation of studies of operating costs for use in rate proceedings; the maintenance of current inventory and cost records; the development of elements of value used in regulating carriers; the compiling of statistics from carrier reports; and the preparation of studies of operating, financial, and related transportation problems.

4. *Supervision and interpretation of tariffs.*—Carrier tariffs, or rate schedules, are examined for compliance with the Commission's tariff rules; authority to publish rates on less-than-statutory notice is, under certain conditions, granted; and informal complaints and carrier requests to pay reparations are processed.

5. *Railroad safety and car service.*—Commission field personnel 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 enforcement of car-service regulations designed to increase the utilization of railroad rolling stock.

6. *Executive and advisory functions.*—This activity includes the work of the Commissioners and their staffs; the defense of Commission orders in court; the rendering of legal advice to the Commission; and the formal issuance of orders, rules, and regulations.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities)	19	8	8	8
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	112	200	200	200
Total selected resources at end of year	131	208	208	208
Selected resources at start of year (—)		—131	—208	—208
Adjustment of selected resources reported at start of year		—27		
Obligations incurred for costs of other years, net..		50		

SELECTED WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Application for permanent operating authorities:			
Received during year	4,323	4,363	4,761
Disposed of during year	4,100	4,510	5,150
Other motor carrier proceedings:			
Received during year	112	125	125
Disposed of during year	77	125	160
Applications for conversion and investigation:			
Reopened during year	3	5	5
Disposed of during year	301	141	5

SELECTED WORKLOAD DATA—Continued

	1960 actual	1961 estimate	1962 estimate
Cases involving finance matters:			
Received during year	2,160	2,152	2,152
Disposed of during year	2,118	2,097	2,221
Rate proceedings:			
Motor carriers:			
Filed during year	1,132	1,302	1,398
Disposed of during year	1,602	1,342	1,335
Other:			
Filed during year	540	752	749
Disposed of during year	537	728	785
Number of freight tariffs filed during year	174,904	180,000	180,000
Field audits of carrier accounts	1,241	1,325	1,400
Safety activities:			
Motor carriers:			
Number of accidents investigated	442	833	865
Safety surveys of carrier operations	7,934	7,955	8,209
Number of vehicles inspected	61,255	67,000	70,000
Unsafe vehicles ordered out of service	9,290	7,200	5,030
Rail carriers:			
Safety appliances inspected	1,736,283	1,760,000	1,760,000
Number of locomotives inspected	108,629	109,000	102,400
Enforcement activities:			
Investigations instituted	1,163	1,300	1,450
Investigations concluded	1,294	1,500	1,700
Court proceedings instituted	813	855	885
Court proceedings concluded	718	790	865

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	16,147	17,899	18,421
Positions other than permanent	7		
Other personnel compensation	145	79	44
Total personnel compensation	16,299	17,978	18,465
12 Personnel benefits	1,087	1,325	1,369
21 Travel and transportation of persons	1,138	1,127	1,202
22 Transportation of things	28	31	33
23 Rent, communications, and utilities	295	299	330
24 Printing and reproduction	193	193	224
25 Other services	102	95	117
26 Supplies and materials	270	240	250
31 Equipment	222	164	210
42 Insurance claims and indemnities	1		
Total obligations	19,635	21,452	22,200

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	2,409	2,428	2,494
Full-time equivalent of other positions	1		
Average number of all employees	2,344	2,395	2,437
Number of employees at end of year	2,383	2,378	2,444
Average GS grade	8.5	8.6	8.6
Average GS salary	\$6,887	\$7,469	\$7,519

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other accounts (total costs—obligations)	9	20	23

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	3	13	13
Non-Federal sources (40 U.S.C. 481(c); 5 U.S.C. 61b).....	6	7	10
Total financing.....	9	20	23

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	3	9	9
12 Personnel benefits.....		1	1
21 Travel and transportation of persons.....		3	3
23 Rent, communications, and utilities.....	1	1	1
31 Equipment.....	5	6	9
Total obligations.....	9	20	23

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....		1	1
Number of employees at end of year.....		0	0

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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Contribution to the Commission (total obligations) (object class 41).....	5	5	5
Financing:			
New obligational authority (appropriation).....	5	5	5

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.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

The National Aeronautics and Space Administration (NASA) was established in 1958 to plan, develop, and conduct the nonmilitary space programs of the United States, including the exploration of space and its utilization for peaceful purposes; and to conduct and support advanced research and development related to both aeronautics and space in support of both military and civil programs. The 1962 budget contains total program costs under the several appropriation accounts of the agency as summarized below, based on the new obligational authority recommended for 1962 and anticipated 1961 supplemental estimates totaling \$49.6 million.

[In millions of dollars]

	Costs			1962 new obligational authority
	1960 actual	1961 estimate	1962 estimate	
Operating expenses.....	409.4	755.9	899.2	1,009.8
Construction of facilities.....	59.2	168.5	105.5	99.8

Total, National Aeronautics and Space Administration. 468.6 864.4 1,004.7 1,109.6

Pursuant to existing law, authorizing legislation will be proposed for the 1962 appropriations. Permanent authorization for appropriations for later years will also be proposed.

OPERATING EXPENSES

Operating expenses of the NASA are provided in two appropriations, Salaries and expenses and Research and development. The combined amounts in the two accounts are shown in the following table and discussed in the narrative that follows.

[In millions of dollars]

	Costs			1962 new obligational authority
	1960 actual	1961 estimate	1962 estimate	
1. Aeronautical and space research:				
(a) Aerodynamics and environmental physics.....	43.7	47.3	47.9	49.8
(b) Propulsion and energy conversion.....	26.3	33.1	38.2	39.7
(c) Structures.....	6.5	9.5	13.5	14.0
(d) Materials.....	6.8	9.6	14.9	15.8
(e) Life sciences.....		1.1	6.5	9.1
(f) Special studies.....	.1	.2	.2	.3
2. Space flight programs:				
(a) Scientific investigations in space.....	77.4	136.6	165.1	188.3
(b) Satellite applications.....	7.6	20.2	64.7	66.0
(c) Manned space flight.....	73.5	132.9	96.8	121.3
(d) Launch operations.....	2.2	16.0	21.5	27.5
(e) Tracking and data acquisition.....	12.6	34.1	48.1	47.1
3. Space vehicle and supporting development:				
(a) Vehicle systems.....	113.5	212.5	250.8	266.6
(b) Propulsion technology.....	27.7	68.1	85.2	112.5
(c) Other development.....	2.7	20.9	28.7	32.3
4. Program direction.....	8.8	13.7	17.1	19.5
Total, operating expenses ("Salaries and expenses" and "Research and development").....	409.4	755.9	899.2	1,009.8

1. *Aeronautical and space research.*—These activities finance basic and applied research on problems related to design, development, construction, and operation of aeronautical and space vehicles; on the effects of the space

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued

environment on living organisms; and on the implications of civil space programs for the Nation and mankind. In 1962, the principal emphasis will continue on research related to manned and unmanned space vehicles, but a substantial portion of the work is directed or applicable to aircraft and missiles. The research is conducted at the Langley, Ames, Lewis, and Flight Research Centers located respectively at Hampton, Va.; Sunnyvale, Calif.; Cleveland, Ohio; and Edwards Air Force Base, Calif.; and at universities, nonprofit organizations, and industrial research laboratories under NASA research grants and contracts.

(a) *Aerodynamics and environmental physics.*—This activity reflects NASA's continuing work in subsonic through hypersonic aerodynamics, and its efforts to solve operating and environmental physics problems. One of the chief research problems is to find aerodynamic shapes, unmanned and manned, which can be controlled during sudden injection into orbit or deep space trajectory and which will survive a controlled return journey through the earth's atmosphere, at speeds decreasing from hypersonic to subsonic, to a specific landing area and eventually to a controlled landing point. Research on prospective military and civil aircraft will range from continuing efforts on short and vertical takeoff and landing aircraft to work on supersonic aircraft.

(b) *Propulsion and energy conversion.*—Increasing effort will be applied in 1962 to research problems related to space vehicle propulsion by nuclear and electric means and to methods of electrical power generation to make electric plasma and ion jet propulsion possible. In addition, substantial work on more sophisticated chemical propulsion systems and some advanced air-breathing engine work will continue.

(c) *Structures.*—Research on problems related to structures will increase in 1962 to find strong but lightweight structures which can withstand the vibration, shock, heat, radiation, and environments encountered on various aeronautical and space missions.

(d) *Materials.*—Under this increased activity, a great variety of materials are studied and tested to find and develop those which can withstand the extremes of the space environment. Improved materials are needed for space vehicles, high performance aircraft, and for the instruments which make possible the recording and transmission of test data back to earth.

(e) *Life sciences.*—Increased research emphasis will be given in 1962: to the problems of assuring man's contribution to the success of space flight missions; to the study of space environmental effects on living organisms to advance basic biological sciences; and to the detection, collection, and analysis of possible extraterrestrial life forms.

(f) *Special studies.*—This activity provides for studies of the social, economic, legal, and international implications of civil space activities.

2. *Space flight programs.*—This activity covers NASA's space flight programs for scientific research and other applications; the necessary launch and recovery operations; and the operation of tracking and data acquisition networks. The estimates cover development work on spacecraft which carry the payloads and procurement costs of those launch vehicles which have already been developed. The funds provided support the activities of both the contractors and the NASA organizations working in each field. NASA's work related to this activity is

centered at the Goddard Space Flight Center, Greenbelt, Md., and the Jet Propulsion Laboratory, Pasadena, Calif. Launching operations are carried on at the Atlantic Missile Range in Florida, the Pacific Missile Range in California, and at the NASA Wallops Station in Virginia. Tracking and data acquisition activities are conducted at stations located around the world.

(a) *Scientific investigations in space.*—This activity includes the sounding rocket, scientific satellite, and lunar and planetary exploration programs. The increase over 1961 reflects the increased costs of two major projects being initiated in the scientific satellite program, the large orbiting astronomical observatory and the orbiting geophysical observatories. This activity also includes increases in the Ranger, Surveyor, and Prospector programs for lunar exploration and the Mariner program to gain knowledge about space in the vicinity of the nearest planets, Venus and Mars.

(b) *Satellite applications.*—In 1961, with funds included in a proposed supplemental appropriation, work will begin on the development of a new active communications satellite program for civil uses. The estimates assume that beginning in 1962 part of the cost of this program will be met by contributions from commercial communications concerns. This activity also provides for work on rigidized passive communications satellites of the Echo satellite type launched this year and meteorological satellites like Tiros I and II. In 1962, emphasis will be on active communications satellites and on the advanced Rebound passive communications and Nimbus meteorological satellites.

(c) *Manned space flight.*—The Mercury and Apollo manned space flight programs and related work are funded here. Amounts for the Mercury program will be less than provided in 1961 because the program will be in the flight stage in 1962, but the successor Apollo program will require increased support for studies and experiments which may lead eventually to long-lived orbiting space stations and manned circumlunar flight.

(d) *Launch operations.*—This activity includes the general costs associated with the launching of NASA space vehicles.

(e) *Tracking and data acquisition.*—The costs related to the operation of the worldwide tracking and data acquisition nets are funded in this activity.

3. *Space vehicle and supporting development.*—This activity includes the costs of developing new launch vehicles and of advancing technology in the propulsion, launch vehicle, and spacecraft fields to the point where the results can be used in space flight programs. The work is accomplished primarily by contract with industry, except for the NASA effort at the Marshall Space Flight Center, Huntsville, Ala., and the work in spacecraft technology at the Jet Propulsion Laboratory.

(a) *Vehicle systems.*—The costs of development, fabrication, and launching of developmental launch vehicles are funded here. The principal projects on which work will continue in both 1961 and 1962 include the small Scout solid propellant launch vehicle; Centaur, larger and more powerful than existing launch vehicles because of the use of high energy liquid hydrogen in the upper stage; and Saturn, which will produce a thrust of 1.5 million pounds in the first stage with conventional propellants and will use liquid hydrogen as the propellant in its upper stages. Major emphasis will be on Saturn and Centaur.

(b) *Propulsion technology.*—This activity includes costs for the development of advanced propulsion techniques

and systems for use in future space vehicles. Work will continue on the single chamber 1.5 million pound thrust engine, advanced liquid and solid fuel rocket engines, electrical propulsion systems, and solar electric power supply systems for spacecraft. Jointly with the Atomic Energy Commission, development of nuclear rocket engines under project Rover and of nuclear electric power systems under project SNAP will also continue.

(c) *Other development.*—Work funded here will support the development of future space vehicles by providing, for example, the technology necessary for guiding interplanetary space vehicles, attitude control of spacecraft, improved equipment for launch operations, and advanced space vehicle designs.

4. *Program direction and coordination.*—This activity funds the operating costs of NASA's headquarters and the Western Operations Office.

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the National Aeronautics and Space Administration, including [hire of passenger motor vehicles; not to exceed \$5,375,000 for expenses of travel; and] uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); [\$170,760,000] \$189,986,000. (42 U.S.C. 2451 et seq.; 50 U.S.C. 151-160, 511-515; Independent Offices Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Note.—Estimate for 1961 includes \$34,316 thousand transferred in the estimates from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense." The amount obligated in 1960 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Aeronautical and space research:			
(a) Aerodynamics and environmental physics.....	37,652	37,500	34,440
(b) Propulsion and energy conversion.....	22,140	25,510	26,530
(c) Structures.....	5,371	7,150	9,260
(d) Materials.....	5,347	6,684	9,477
(e) Life sciences.....		98	476
2. Space flight programs:			
(a) Scientific investigations in space.....	3,606	8,947	10,310
(b) Satellite applications.....	400	1,336	2,603
(c) Manned space flight.....	4,420	10,280	14,255
(d) Launch operations.....	1,792	10,949	11,173
(e) Tracking and data acquisition.....	2,260	5,764	6,887
3. Space vehicle and supporting development:			
(a) Vehicle systems.....	15,578	44,728	45,976
(b) Propulsion technology.....		3,030	3,060
(c) Other development.....		4,842	4,870
4. Program direction.....	7,811	11,706	14,083
Total program costs.....	106,377	178,524	193,400
5. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-2,002	-1,240	
Total obligations.....	104,375	177,284	193,400
Financing:			
Comparative transfers from (-) other accounts.....	-15,000		
Advances and reimbursements from other accounts (-).....		-6,524	-3,414
Unobligated balance lapsing.....	1,475		
New obligational authority.....	90,850	170,760	189,986

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	91,400	170,760	189,986
Transferred to "Research and development" (Public Law 86-213).....	-550		
Appropriation (adjusted).....	90,850	170,760	189,986

This appropriation provides the portion of the operating expenses of NASA which consists of personal services and operating costs of NASA facilities other than procurement of supplies, equipment, and contractual services.

5. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	4,215	2,429	3,156	3,209
Advances (payments for goods and services on order not yet received).....	94	104	158	180
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-5,553	-7,042	-11,425	-11,500
Unapplied costs (costs incurred not yet assigned to activities).....	1,324	904		
Total selected resources at end of year.....	80	-3,605	-8,111	-8,111
Selected resources at start of year.....		-80	3,605	8,111
Accrued annual leave transferred from Army Ordnance Missile Command.....			3,266	
Adjustment of selected resources reported at start of year.....		1,683		
Costs financed from obligations of other years, net (-).....		-2,002	-1,240	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	83,891	124,578	133,814
Positions other than permanent.....	21	255	369
Other personnel compensation.....	2,802	10,749	10,861
Total personnel compensation.....	86,715	135,582	145,044
12 Personnel benefits.....	4,713	9,424	10,152
21 Travel and transportation of persons:			
Hire of motor vehicles.....	11	84	
Transportation of things.....	166	568	740
22 Rent, communications, and utilities:			
Rents.....	2,423	15,251	18,917
Communication services.....	702	1,623	1,774
Electric power.....	5,612	5,677	5,966
Other utilities.....	422	580	687
24 Printing and reproduction.....	265	816	1,000
25 Other services: Services of other agencies.....	497	1,248	1,115
42 Insurance claims and indemnities.....	119	57	110
Total obligations.....	104,375	177,284	193,400

Personnel Summary

Total number of permanent positions.....	10,286	16,493	17,342
Full-time equivalent of other positions.....	2	25	37

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	9,523	16,097	17,020
Number of employees at end of year.....	10,232	16,432	17,292
Average GS grade.....	9.3	9.8	9.8
Average GS salary.....	\$7,510	\$8,316	\$8,452
Average salary, grades established by the Administrator, NASA.....	\$6,277	\$6,674	\$6,660
Average salary of ungraded positions.....	\$15,840	\$16,236	\$16,236

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 maintenance and operation of aircraft; hire of passenger motor vehicles; and purchase of [sixty] fourteen passenger motor vehicles, including one at not to exceed \$6,000, of which [twenty-nine] seven shall be for replacement only; [\$621,453,000] \$819,819,000, to remain available until expended: *Provided*, That no part of this appropriation shall be available for payment of salaries of National Aeronautics and Space Administration personnel. (42 U.S.C. 2451 et seq.; 50 U.S.C. 151-160, 511-515; Independent Offices Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Note.—Estimate for 1961 includes \$92,684 thousand transferred in the estimates from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense." The amount obligated in 1960 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Aeronautical and space research:			
(a) Aerodynamics and environmental physics.....	6,091	9,846	13,470
(b) Propulsion and energy conversion.....	4,134	7,552	11,670
(c) Structures.....	1,175	2,347	4,230
(d) Materials.....	1,439	2,905	5,400
(e) Life sciences.....		1,000	6,000
(f) Special studies.....	60	150	230
2. Space flight programs:			
(a) Scientific investigations in space.....	73,791	127,662	154,800
(b) Satellite applications.....	7,181	18,860	62,100
(c) Manned space flight.....	69,049	122,610	82,520
(d) Launch operations.....	443	5,080	10,330
(e) Tracking and data acquisition.....	10,322	28,380	41,260
3. Space vehicle and supporting development:			
(a) Vehicle systems.....	97,901	167,793	204,780
(b) Propulsion technology.....	27,721	65,060	82,150
(c) Other development.....	2,710	16,100	23,840
4. Program direction.....	997	2,000	3,000
Total program costs.....	303,014	577,345	705,780
5. Unfunded adjustment to total program costs: Supplies or services transferred in (—) without charge, net.....	—882	—889	—929
Total program costs, funded.....	302,132	576,456	704,851
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	65,751	47,947	115,198
Total obligations.....	367,883	624,403	820,049
Financing:			
Comparative transfers from (—) other accounts.....	—53,010		
Unobligated balance brought forward.....	—20,936	—47,663	—48,050

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Advances and reimbursements from—			
Other accounts (—).....	—8,500	—6,875	—1,780
Non-Federal sources (42 U.S.C. 2473) (—).....	47,663	48,050	—10,000
Unobligated balance carried forward.....			59,600
New obligational authority.....	333,100	617,915	819,819
New obligational authority:			
Appropriation.....	347,550	621,453	819,819
Transferred from "Salaries and expenses" (Public Law 86-213).....	550		
Transferred to "Construction and equipment" (Public Law 86-213).....	—15,000	—3,538	
Appropriation (adjusted).....	333,100	617,915	819,819

This appropriation provides for that portion of NASA operating expenses which consists of contracts for research, development, and supporting operations and for procurement of supplies, equipment, and contractual services for the operation of NASA facilities.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	2,376	6,636	10,102	9,740
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	140,821	197,586	251,687	367,105
Advances (payments for goods and services on order not yet received).....	1,516	3,553	558	700
Total selected resources at end of year.....	144,713	207,775	262,347	377,545
Selected resources at start of year (—):	—144,713	—207,775	—207,775	—262,347
Materials and supplies transferred from Army Ordnance Missile Command (42 U.S.C. 2473).....			—6,625	
Adjustment of selected resources reported at start of year.....		2,689		
Obligations incurred for costs of other years, net.....		65,751	47,947	115,198

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
21 Travel and transportation of persons.....	63	65	165
22 Transportation of things.....	1,169	4,293	4,300
23 Rent, communications, and utilities.....	617	10,518	14,750
24 Printing and reproduction.....	87		
25 Other services:			
Research and development.....	172,497	325,774	500,780
Services of other agencies.....	129,847	104,065	167,000
Repairs, alterations, and minor construction.....	1,850	4,726	6,000
Miscellaneous services.....	1,500	9,978	13,936
Services of other agencies.....	2,386	5,130	5,300
26 Supplies and materials.....	39,380	128,250	87,565
31 Equipment.....	16,752	31,584	20,233
Unvouchered.....		10	20
Total, National Aeronautics and Space Administration.....	366,148	624,393	820,049

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation: permanent positions.....	2	-----	-----
25 Other services.....	1,719	9	-----
31 Equipment.....	14	1	-----
Total, allocation accounts.....	1,735	10	-----
Total obligations.....	367,883	624,403	820,049
Obligations are distributed as follows:			
National Aeronautics and Space Administration.....	366,148	624,393	820,049
Army.....	16	1	-----
Atomic Energy Commission.....	1,719	9	-----

Personnel Summary			
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	1	-----	-----
Number of employees, end of year.....	0	-----	-----
Average GS grade.....	8.0	-----	-----
Average GS salary.....	\$6,386	-----	-----

CONSTRUCTION OF FACILITIES

The construction of facilities required by NASA for the conduct of its programs is provided in the appropriation Construction of facilities, the details of which are shown below. This appropriation provides for construction and equipment of new facilities and for modernization of existing facilities when major construction is involved. Beginning in 1962, equipment not related to major construction projects, some of which was formerly carried in the Construction and equipment appropriation, will be provided in the Research and development appropriation.

CONSTRUCTION [AND EQUIPMENT] OF FACILITIES

For construction [and equipment] of facilities for the National Aeronautics and Space Administration and for the acquisition or condemnation of real [property] property, as authorized by law, [\$122,787,000] \$99,825,000, to remain available until expended. (42 U.S.C. 2451 et seq.; 50 U.S.C. 151-160, 511-515; Independent Offices Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Note.—Estimate for 1961 includes \$13,000 thousand transferred in the estimates from "Salaries and expenses, Advanced Research Projects Agency, Department of Defense." The amount obligated in 1960 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Aeronautical and space research facilities:									
(a) Langley Research Center.....	66,777	26,781	7,928	12,713	10,300	15,375	9,055	3,980	-----
(b) Ames Research Center.....	31,271	7,374	7,270	8,321	4,615	1,926	3,691	6,380	-----
(c) Lewis Research Center.....	66,808	29,681	7,883	14,904	7,190	10,750	7,150	3,590	-----
(d) Flight Research Center.....	1,775	-----	30	1,745	-----	-----	-----	-----	-----
2. Space flight program facilities:									
(a) Goddard Space Flight Center.....	36,649	167	4,044	9,031	18,185	14,195	5,222	9,212	-----
(b) Jet Propulsion Laboratory.....	18,347	-----	210	4,545	5,650	9,950	7,942	3,642	-----
(c) Wallops Station.....	28,065	1,374	7,940	5,085	5,301	7,353	8,365	6,313	-----
(d) Atlantic Missile Range.....	70,092	-----	5,387	8,240	17,010	23,882	39,455	32,583	-----
(e) Pacific Missile Range.....	1,758	-----	397	363	350	-----	648	998	-----
(f) Various locations.....	95,219	-----	17,983	32,907	13,550	27,018	30,779	17,311	-----
3. Space vehicle and supporting development facilities:									
(a) Marshall Space Flight Center.....	35,810	-----	169	2,000	18,680	24,750	14,961	8,891	-----
(b) Various locations.....	11,568	-----	-----	8,643	1,900	1,000	1,025	1,925	-----
4. Advance planning.....	5,000	-----	-----	-----	2,800	-----	2,200	5,000	-----
Total program costs.....	469,139	65,377	59,241	108,497	105,531	136,199	130,493	99,825	-----
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....	-----	-----	-----	-----	-----	-----	-----	-----	-----
Obligations incurred for costs of other years, net.....	-----	-----	35,485	55,121	-----	-----	-----	-----	-----
Total obligations.....	-----	-----	94,726	163,618	101,501	-----	-----	-----	-----
Financing:									
Comparative transfers from (—) other accounts.....	-----	-----	—5,056	-----	-----	-----	-----	-----	-----
Unobligated balance brought forward.....	-----	-----	—39,414	—49,369	—12,076	-----	-----	-----	-----
Unobligated balance carried forward.....	-----	-----	49,369	12,076	10,400	-----	-----	-----	-----
New obligational authority.....	-----	-----	99,625	126,325	99,825	-----	-----	-----	-----
New obligational authority:									
Appropriation.....	-----	-----	84,625	122,787	99,825	-----	-----	-----	-----
Transferred from "Research and development" (Public Law 86-213).....	-----	-----	15,000	3,538	-----	-----	-----	-----	-----
Appropriation (adjusted).....	-----	-----	99,625	126,325	99,825	-----	-----	-----	-----

**NATIONAL AERONAUTICS AND SPACE
ADMINISTRATION—Continued**

Current authorizations—Continued

CONSTRUCTION [AND EQUIPMENT] OF FACILITIES—Continued

This appropriation provides for the construction and modernization of facilities, including design by contract, the purchase of major items of related equipment, and the advance design of facilities planned for future authorization. The costs shown in 1962 include amounts for projects previously authorized. The principal construction projects in the proposed 1962 program are described below.

1. *Aeronautical and space research facilities*—(a) *Langley Research Center*.—The recommendation provides for a research facility to determine the properties of structures in a hard vacuum and equipment for research in the properties and space uses of plasmas.

(b) *Ames Research Center*.—A facility for research in hypervelocity free flight and building modifications needed to accommodate life sciences research will be funded in 1962.

(c) *Lewis Research Center*.—A facility for basic heat transfer studies is included as well as modifications to a large space environment tank.

2. *Space flight program facilities*—(a) *Goddard Space Flight Center*.—Construction is proposed for a space environmental testing laboratory, an advanced data processing facility, and an isolation laboratory.

(b) *Jet Propulsion Laboratory*.—The estimates provide for modernization or modification of laboratory facilities for physical sciences, structural test, and materials research, and an extension of utilities. Additions are planned to the spacecraft assembly building and the microwave antenna range.

(c) *Wallops Station*.—Provision is made for facilities for tracking, dynamic balancing of launch vehicles, rocket storage, and safety system modifications.

(d) *Atlantic Missile Range*.—The proposal provides for completion of one Saturn launch complex and modification of another including the addition of facilities to handle liquid hydrogen, for a new Centaur launching facility, and for the construction of an additional barge for transporting Saturn vehicles. Three additional projects are planned in the industrial area: a central shop and maintenance facility, a spacecraft assembly and checkout building, and an extension to the launch vehicle assembly building.

(e) *Pacific Missile Range*.—Construction of a telemetry building, an engineering facility, and a storage building are included.

(f) *Various locations*.—Improvements will be made to Minitrack and deep-space tracking networks and equipment for a new radar will be provided for use in the active communications satellite program. Construction of new facilities to launch sounding rockets is also included.

3. *Space vehicle and supporting development facilities*—(a) *Marshall Space Flight Center*.—Projects at this center include the construction of a high vacuum test facility and a technical services building; construction in the static test area of a liquid hydrogen facility, a liquid oxygen storage facility, and extension of the blockhouse; and extension of the existing engineering building, structural test building, and primary utilities.

(b) *Various locations*.—Money is recommended for propulsion development facilities for the large F-1 engine, and for the 200,000 pound thrust liquid hydrogen engine intended for an advanced Saturn. Also included are amounts for unforeseen construction requirements such as damage repair.

4. *Advance planning*.—These funds are for architectural and engineering design of facilities to be included in future construction programs.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	33,475	68,398	123,923	119,993
Advances (payments for goods and services on order not yet received).....	23	604	200	100
Total selected resources at end of year.....	33,498	69,002	124,123	120,093
Selected resources at start of year (—).....		—33,498	—69,002	—124,123
Adjustment of selected resources reported at start of year.....		—19		
Costs financed from obligations of other years, net (—).....				—4,030
Obligations incurred for costs of other years, net.....		35,485	55,121	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
31 Equipment.....	39,065	69,026	52,000
32 Lands and structures.....	54,412	94,215	49,501
Total, National Aeronautics and Space Administration.....	93,477	163,241	101,501
ALLOCATION ACCOUNTS			
31 Equipment.....	600	4	
32 Lands and structures.....	649	373	
Total, allocation accounts.....	1,249	377	
Total obligations.....	94,726	163,618	101,501
Obligations are distributed as follows:			
National Aeronautics and Space Administration.....	93,477	163,241	101,501
Atomic Energy Commission.....	600	4	
Department of Commerce.....	649	15	
Air Force.....		358	

CONSTRUCTION AND EQUIPMENT, UNITARY PLAN

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Aeronautical and space research facilities (total program costs).....	13		
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—13		
Total obligations.....			
Financing:			
Unobligated balance brought forward.....	—106		
Recovery of prior year obligations.....	—3		
Unobligated balance lapsing.....	109		
New obligational authority (appropriation)			

2. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$16 thousand; 1959 (adjusted), \$13 thousand.

GENERAL PROVISIONS

Not to exceed 5 per centum of any appropriation made available to the National Aeronautics and Space Administration by this Act may be transferred to any other such appropriation, but the "Salaries and expenses" appropriation shall not be thereby increased.

Not to exceed **[\$10,000]** \$20,000 of appropriations in this Act for the National Aeronautics and Space Administration shall be available for such scientific consultations and **[any]** emergency or extraordinary expense **[pursuant to section 1(h) of the legislative authorization for appropriations for the fiscal year 1961]** as may be authorized by law. (*Independent Offices Appropriation Act, 1961.*)

Proposed for later transmission:

RESEARCH AND DEVELOPMENT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
2. Space flight programs:			
(a) Scientific investigations in space.....		200	4,800
(b) Satellite applications.....		1,000	23,000
3. Space vehicle and supporting development:			
(a) Vehicle systems.....		700	17,306
(b) Propulsion technology.....		100	2,500
Total program costs.....		2,000	47,606
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....			-47,606
Obligations incurred for costs of other years, net.....		47,606	
Total obligations.....		49,606	
Financing:			
New obligational authority (proposed supplemental appropriation).....		49,606	

Under existing legislation, 1961.—The supplemental appropriation anticipated for 1961 is for acceleration of the passive communications satellite program and the initiation of an active communications satellite program for civil uses, to provide long leadtime equipment for the first Mariner planetary flight which will take place in 1962, for augmenting the 1961 Rover nuclear rocket program, and for the acceleration of the development of the Scout and Centaur launch vehicles.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders for 1961 are \$47,606 thousand.

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, \$40,000: *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 75-733; Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operation and maintenance of properties (total obligations).....	40	40	40
Financing:			
New obligational authority (appropriation).....	40	40	40

The requested appropriation of \$40 thousand for 1962 is to continue at a constant rate the operation and maintenance of 96 low-rent housing units operated under title I of the District of Columbia Alley Dwelling Act. Rent receipts are deposited to miscellaneous receipts of the Treasury.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	24	23	23
12 Personnel benefits.....	1	2	2
23 Rent, communications, and utilities.....	8	8	8
25 Other services: Extraordinary maintenance.....	1	3	3
26 Supplies and materials.....	3	3	3
31 Equipment.....	3	1	1
Total obligations.....	40	40	40

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	5	5	5
Average number of all employees.....	5	5	5
Number of employees at end of year.....	5	5	5
Average GS grade.....	6.5	6.6	6.6
Average GS salary.....	\$5,627	\$6,194	\$6,263
Average salary of ungraded positions.....	\$4,147	\$4,405	\$4,473

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)]** (*40 U.S.C. 71-71i*), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); **[not to exceed \$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 uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131); **[\$408,000]** \$573,000. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Planning development of the National Capital.....	327	368	479
2. Coordinating metropolitan area planning.....	60	79	94
Total program costs ¹	387	447	573
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-12	
Obligations incurred for costs of other years, net.....	12		
Total obligations.....	399	435	573
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	400	435	573

New obligational authority:			
Appropriation.....	400	408	573
Proposed supplemental due to pay increases.....		27	

¹ Includes capital outlay as follows: 1960, \$10 thousand; 1961, \$3 thousand; 1962, \$10 thousand.

1. *Planning development of the National Capital.*—The Commission is charged with planning the orderly development and redevelopment of the National Capital

**NATIONAL CAPITAL PLANNING COMMISSION—
Continued**

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

and the conservation of the important natural and historical features thereof. Its membership consists of five private citizens chosen for their experience in city and regional planning and seven ex officio members who are officials having responsibility for development of the Nation's Capital.

2. *Coordinating metropolitan area planning.*—The National Capital Regional Planning Council coordinates planning in the counties and cities of the metropolitan area. Its membership is composed of the Chairman of the Planning Commission, the Engineer Commissioner of the District of Columbia, and four representatives each from Maryland and Virginia, who are nominated from the State planning agencies.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$15 thousand; 1959 (adjusted), \$33 thousand; 1960, \$45 thousand; 1961, \$33 thousand; 1962, \$33 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	272	338	386
Positions other than permanent.....	7	10	15
Other personnel compensation.....	4	2	1
Total personnel compensation.....	283	350	402
12 Personnel benefits.....	18	25	31
21 Travel and transportation of persons.....	7	8	10
Payment to interagency motor pools.....	1	1	2
22 Transportation of things.....			1
23 Rent, communications, and utilities.....	5	5	34
24 Printing and reproduction.....	8	8	30

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	47	39	43
26 Supplies and materials.....	8	8	10
31 Equipment.....	10	3	10
Total costs.....	387	447	573
Costs financed from obligations of other years, net (—).....		—12	
Obligations incurred for costs of other years, net.....	12		
Total obligations.....	399	435	573

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	41	41	47
Full-time equivalent of other positions.....	2	2	5
Average number of all employees.....	39	41	51
Number of employees at end of year.....	44	44	50
Average GS grade.....	10.0	10.1	9.9
Average GS salary.....	\$7,916	\$8,692	\$8,583
Average salary of ungraded positions.....	\$4,285	\$4,285	\$4,285

**LAND ACQUISITION, NATIONAL CAPITAL PARK, PARKWAY, AND
PLAYGROUND SYSTEM**

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, **[\$250,000, which] \$1,400,000, of which (1) \$200,000 shall be available for the purposes of section 1(a) of said Act of May 29, 1930, (2) \$600,000 shall be available for the purposes of section 1(b) thereof, and (3) \$600,000 shall be available for the purposes of section 1(c) thereof: Provided, That not exceeding \$50,000 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, 1961.)**

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate ¹	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. George Washington Memorial Parkway:									
(a) Maryland.....	3,375	859	40	172	153	153			2,151
(b) Virginia.....	3,375	780	358	113	250	50		200	1,874
2. Stream valley parks:									
(a) Virginia.....	4,500			150	600			600	3,750
(b) Maryland.....	2,250	3,414	138	12	600			600	1,086
3. Park, parkway, and playground system in the District of Columbia.....	16,000	13,065	383	1,552	1,000	1,000			
Total program costs.....	32,500	18,118	919	1,999	2,603	1,203		1,400	8,861
4. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....			—89		—1,203				
Obligations incurred from costs of other years, net.....				542					
Total obligations.....			830	2,541	1,400				
Financing:									
Unobligated balance brought forward.....			—835	—2,291					
Unobligated balance carried forward.....			2,291						
New obligational authority (appropriation).....			2,286	250	1,400				

¹ Capper-Cramton Act, May 29, 1930, as amended (46 Stat. 482).

² Includes \$3 million for loan (advances) to Maryland.

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 along both shores of the Potomac River, above and below Washington from Great Falls to Mount Vernon. One-half the cost is borne by the local jurisdictions. Funds requested herein in the amount of \$200 thousand will provide for the purchase of approximately 160 acres of Madeira School property in Fairfax County.

2. *Stream valley parks.*—Land is acquired by public bodies 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 to the United States by the District of Columbia. Acquisitions are part of the Commission's comprehensive plan for the park, parkway, and playground system of the National Capital. Funds appropriated during 1960 completed the amount authorized by law.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$750 thousand; 1960, \$661 thousand; 1961, \$1,203 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	27	29	17
12 Personnel benefits.....	2	2	1
25 Other services.....	41	19	32
32 Lands and structures.....	711	1,799	1,353
41 Grants, subsidies, and contributions.....	138	150	1,200
Total costs.....	919	1,999	2,603
Costs financed from obligations of other years, net (-).....	-89		-1,203
Obligations incurred from costs of other years, net.....		542	
Total obligations.....	830	2,541	1,400

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	2	2	2
Average number of all employees.....	3	3	2
Number of employees at end of year.....	2	2	2
Average GS grade.....	9.0	9.0	9.0
Average GS salary.....	\$7,727	\$8,392	\$8,476

SALARIES AND EXPENSES, WASHINGTON REGIONAL MASS TRANSPORTATION SURVEY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Transportation survey (total program costs).....	38		
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-38		
Total obligations.....			
Financing:			
New obligational authority (appropriation).....			

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders, 1959, \$38 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	15		
25 Other services.....	23		
Total costs.....	38		
Costs financed from obligations of other years, net (-).....	-38		
Total obligations.....			

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Redevelopment program, Redevelopment Land Agency," District of Columbia.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services for Office of Civil and Defense Mobilization and General Services Administration (total obligations) (object class 25).....	18		
Financing:			
Advances and reimbursements from other accounts.....	18		

NATIONAL CAPITAL TRANSPORTATION AGENCY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of title II of the Act of July 14, 1960 (74 Stat. 537), including 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; *hire of passenger motor vehicles*; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131); [\$250,000] \$975,000. (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Preparation of the transit development program (total program costs) ¹		242	972
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....		8	3
Total obligations.....		250	975
Financing:			
New obligational authority (appropriation).....		250	975

¹ Includes capital outlay as follows: 1961, \$23 thousand; 1962, \$40 thousand.

The Agency, established pursuant to 74 Stat. 538, is responsible for preparing a comprehensive transit development program for the National Capital region. The mass

NATIONAL CAPITAL TRANSPORTATION AGENCY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

transportation survey prepared by the National Capital Planning Commission and National Capital Planning Regional Council outlined a unified and coordinated transportation system consisting of a network of freeways, rapid rail transit, express buses, and parking facilities to meet the projected expansion of the region's economy and population. In preparing its transit development program, the Agency is continuing the work begun in the survey. During this initial period its activities will include preliminary engineering plans, descriptions of the character of services, a timetable for providing the facilities, estimates of costs and revenues, and the financial and organizational arrangements for bringing into being an improved transportation system, giving special consideration to expanded use of existing rail and transit facilities. Actions to implement any part of the program must be expressly authorized by Congress and must be coordinated with the respective governing bodies of the area.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$0; 1961, \$8 thousand; 1962, \$11 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....		130	524
Positions other than permanent.....		8	45
Total personnel compensation.....		138	569
12 Personnel benefits.....		10	40
21 Travel and transportation of persons.....		6	25
22 Transportation of things.....		6	10
23 Rent, communications, and utilities.....		5	80
24 Printing and reproduction.....		10	15
25 Other services.....		35	165
Services of other agencies.....		12	25
26 Supplies and materials.....		5	6
31 Equipment.....		23	40
Total obligations.....		250	975

Personnel Summary

Total number of permanent positions.....		25	75
Full-time equivalent of other positions.....		1	5
Average number of all employees.....		14	68
Number of employees at end of year.....		36	90
Average GS grade.....		10.7	9.6
Average GS salary.....		\$9,165	\$8,059

NATIONAL LABOR RELATIONS BOARD

Current authorizations:

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 as amended (29 U.S.C. 141-167 [E, 73 Stat. 541-546]) and other laws, [including rental of space in the District of Columbia area, \$17,300,000] \$18,880,000: *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, as amended, and as defined in section 3(f) of the Act of June 25, 1938 (29 U.S.C. 203), and including in said definition employees engaged in the maintenance and operation of ditches, canals, reservoirs, and waterways when maintained or operated on a mutual, 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Field investigations.....	9,699	10,407	10,541
2. Trial examiner hearing.....	1,250	1,634	1,697
3. Board adjudication.....	1,743	2,730	3,032
4. Securing compliance with Board orders.....	2,407	3,442	3,610
Total obligations.....	15,099	18,213	18,880
Financing:			
Unobligated balance lapsing.....	181		
New obligational authority.....	15,280	18,213	18,880
New obligational authority:			
Appropriation.....	15,280	17,300	18,880
Proposed supplemental due to pay increases.....		913	

The Board resolves representation disputes in industry and remedies and prevents specified unfair labor practices by employers or labor organizations. Additional funds are requested to enable the agency to further reduce backlogs so that the time delay in getting formal decisions from the Board can be reduced.

1. *Field investigations.*—Charges of unfair labor practices and petitions for elections to resolve representation disputes are investigated by regional office personnel. Failing settlement, dismissal, or withdrawal, these cases are prepared for public hearing. About 85% of the unfair labor practice cases and about 75% of the representation 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. Their findings and recommendations are set forth in intermediate reports. In 1960, 764 hearings were held and 582 reports were issued; the estimate for 1961 is 885 hearings and 797 reports; the estimate for 1962 is 875 hearings and 855 reports.

3. *Board adjudication.*—In unfair labor practice cases a trial examiner's intermediate report becomes a Board order if no exceptions are filed. Exceptions are filed to approximately 80% of the intermediate reports and are referred to the Board for decision. In contested representation cases the Board may either order an election in an appropriate unit to determine the choice of bargaining representative or dismiss the case. The Labor-Management Reporting and Disclosure Act of 1959 authorizes the Board to delegate to regional directors authority over representation cases with provision for appellate review. It is estimated the Board will delegate 50% of the representation decisional process to the regions in 1961 and 75% in 1962. The Board issued decisions in 383 contested unfair labor practice cases in 1960; the estimate for 1961 is 610 cases (an increase of 59%); the estimate for 1962 is 763 cases (an increase of 25%).

4. *Securing compliance with Board orders.*—If the parties do not voluntarily comply with the Board's

order, the Board must request the courts to enforce its decisions. Most of these contested decisions involve unfair labor practices. In 1960 a total of 142 Board decisions of all kinds required court litigation; the estimate for 1961 is 240 (an increase of 69%); the estimate for 1962 is 270 (an increase of 13%).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	11,278	13,580	14,123
Positions other than permanent.....	10	18	16
Other personnel compensation.....	185	154	110
Total personnel compensation.....	11,473	13,752	14,249
12 Personnel benefits.....	705	1,006	1,042
21 Travel and transportation of persons.....	926	1,049	1,010
22 Transportation of things.....	50	52	50
23 Rent, communications, and utilities.....	542	1,029	1,274
24 Printing and reproduction.....	292	374	390
25 Other services.....	564	599	539
Services of other agencies.....	64	24	37
26 Supplies and materials.....	206	211	212
31 Equipment.....	277	117	77
Total obligations.....	15,099	18,213	18,880

Personnel Summary

Total number of permanent positions.....	1,774	1,851	1,851
Full-time equivalent of other positions.....	2	3	3
Average number of all employees.....	1,604	1,771	1,790
Number of employees at end of year.....	1,750	1,851	1,841
Average GS grade.....	8.7	9.1	9.1
Average GS salary.....	\$7,000	\$7,915	\$7,951

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Trial examiner hearing (total obligations).....	7	4	4
Financing:			
Advances and reimbursements from other accounts.....	7	4	4

Object Classification (in thousands of dollars)

11 Personnel compensation: Positions other than permanent.....	6	3	3
21 Travel and transportation of persons.....	1	1	1
Total obligations.....	7	4	4

Personnel Summary

Average number of all employees.....	1	1	1
Number of employees at end of year.....	0	0	0
Average GS grade.....	15.0	15.0	15.0
Average GS salary.....	\$13,686	\$14,277	\$14,277

NATIONAL MEDIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for carrying out the provisions of the Railway Labor Act, as amended (45 U.S.C. 151-188), including temporary employment of referees under section 3 of the Railway Labor Act, as amended, at rates not in excess of \$100 per diem; and emergency boards appointed by the President pursuant to section 10 of said Act (45 U.S.C. 160); [**\$1,555,000**] **\$1,604,000.** (45 U.S.C. 154; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Mediation.....	562	590	604
2. Voluntary arbitration and emergency disputes.....	307	364	350
3. Adjustment of railroad grievances.....	527	653	650
Total program costs.....	1,396	1,607	1,604
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-3	
Obligations incurred for costs of other years, net.....	7		
Total obligations.....	1,403	1,604	1,604
Financing:			
Unobligated balance lapsing.....	34		
New obligational authority.....	1,437	1,604	1,604
New obligational authority:			
Appropriation.....	1,437	1,555	1,604
Proposed supplemental due to pay increases.....		49	

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Pending, start of year.....	262	223	257	267
Received during year.....	345	341	360	360
Closed during year.....	384	307	350	360
Pending, end of year.....	223	257	267	267

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, may appoint an emergency board to investigate and report on the dispute as a basis for agreement.

NUMBER OF BOARDS

	1959 actual	1960 actual	1961 estimate	1962 estimate
Arbitration boards.....	15	9	10	10
Special adjustment boards.....	99	101	125	125
Emergency boards.....	6	7	5	5

3. *Adjustment of railroad grievances.*—Railroad employee grievances resulting from application of collective-

NATIONAL MEDIATION BOARD—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

bargaining contracts may be brought for settlement to the 36-man Board composed of 4 divisions. Each division has an equal number of carriers 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	1959 actual	1960 actual	1961 estimate	1962 estimate
Pending, beginning of year.....	4,948	5,645	5,957	6,243
Received during year.....	2,397	1,798	1,925	2,050
Closed during year.....	1,700	1,486	1,639	1,935
Pending, end of year.....	5,645	5,957	6,243	6,358
Referee-days of service.....	1,875	1,712	1,930	2,735

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$8 thousand; 1960, \$15 thousand; 1961, \$12 thousand; 1962, \$12 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	674	737	758
Positions other than permanent.....	380	494	473
Other personnel compensation.....	5	3	-----
Total personnel compensation.....	1,059	1,234	1,231
12 Personnel benefits.....	53	62	63
21 Travel and transportation of persons.....	180	182	187
23 Rent, communications, and utilities.....	41	41	41
24 Printing and reproduction.....	39	53	50
25 Other services.....	17	17	15
26 Supplies and materials.....	8	9	9
31 Equipment.....	6	6	8
Total obligations.....	1,403	1,604	1,604

Personnel Summary

Total number of permanent positions.....	92	91	91
Full-time equivalent of other positions.....	20	19	22
Average number of all employees.....	108	110	113
Number of employees at end of year.....	129	125	126
Average GS grade.....	8.8	8.9	8.9
Average GS salary.....	\$7,212	\$7,870	\$7,965

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; and reimbursement of the General Services Administration for security guard services; [;\$175,800,000] \$210,000,000, to remain available until expended: *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 secondary school science and mathematics teachers[; *Provided*

further, That not to exceed \$1,600,000 of the foregoing appropriation may be used to purchase foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act]. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Support of science:			
(a) Grants and contracts.....	87,458	100,198	130,100
(b) Program development, operation, and evaluation.....	2,136	2,810	3,233
2. Support of scientific manpower:			
(a) Grants and contracts.....	64,634	67,800	71,300
(b) Program development, operation, and evaluation.....	2,274	2,445	2,608
3. Executive direction and management.....	2,098	2,509	2,759
Total obligations.....	158,600	175,762	210,000
Financing:			
Comparative transfers to other accounts.....	-----	600	-----
Unobligated balance brought forward.....	-4,389	-562	-----
Unobligated balance carried forward.....	562	-----	-----
New obligational authority (appropriation)	154,773	175,800	210,000

The Foundation supports basic research, basic research facilities, national research centers, national programs of research, pre- and post-doctoral fellowships, education in the sciences, the interchange of scientific information among scientists in the United States and foreign countries and the interchange of scientists and science scholars between the United States and other countries. It is also responsible for developing and encouraging the 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 strengthening support of basic research, national research programs, and research facilities and for increased costs in programs relating to the support of scientific manpower.

1. *Support of science.*—The Foundation supports basic research through grants for specific projects, principally in institutions of higher learning, and through institutional grants to colleges and universities.

GRANTS FOR SUPPORT OF RESEARCH PROJECTS

	1960 actual	1961 estimate	1962 estimate
Number of project grants awarded.....	1,896	1,754	1,800

It also supports (1) national research programs including the Antarctic research program, U.S. participation in an international expedition to the Indian Ocean, deep crustal studies of the earth, and a weather modification program; (2) basic research facilities at educational and other nonprofit institutions in such fields as oceanography and electronic computation and for the improvement of graduate laboratories and specialized biological facilities; (3) national research centers for the atmospheric sciences, optical astronomy, and radio astronomy; and translating and disseminating information on the results of scientific research, and developing improved methods for the exchange of scientific data.

2. *Support of scientific manpower.*—The Foundation awards fellowships to graduate science students, college science faculty fellowships, summer fellowships for high school science and mathematics teachers, and supports summer study programs for graduate teaching assistants.

FELLOWSHIPS FOR ADVANCED STUDY IN SCIENCE AND MATHEMATICS

	1960 actual	1961 estimate	1962 estimate
Number of fellows.....	3,701	3,759	3,762

Summer, inservice, and academic-year institutes for the training of elementary, secondary school, and college teachers of science and mathematics are supported by the Foundation.

INSTITUTES FOR SCIENCE AND MATHEMATICS TEACHERS

	1960 actual	1961 estimate	1962 estimate
Number of participants supported at institutes.....	31,611	33,372	33,622

The Foundation also supports (a) projects to improve elementary, secondary school, and college science and mathematics course content; (b) supplementary programs to stimulate interest in and improve teaching and training in the sciences at secondary school and college levels; (c) maintenance of a national register of scientific and technical personnel; and (d) studies relating to supply, demand, and utilization of scientific manpower.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NATIONAL SCIENCE FOUNDATION			
11 Personnel compensation:			
Permanent positions.....	3,452	4,370	4,899
Positions other than permanent.....	219	245	252
Other personnel compensation.....	136	144	119
Total personnel compensation.....	3,807	4,759	5,270
12 Personnel benefits.....	229	358	381
21 Travel and transportation of persons.....	413	522	607
22 Transportation of things.....	18	37	34
23 Rent, communications, and utilities.....	145	155	294
24 Printing and reproduction.....	138	163	163
25 Other services.....	4,673	6,691	10,240
Services of other agencies.....	295	350	450
26 Supplies and materials.....	62	66	66
31 Equipment.....	81	95	95
41 Grants, subsidies, and contributions.....	145,998	162,353	192,400
Total, National Science Foundation.....	155,859	175,549	210,000
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	52	56	-----
Positions other than permanent.....	37	37	-----
Total personnel compensation.....	89	93	-----
12 Personnel benefits.....	5	5	-----
21 Travel and transportation of persons.....	39	39	-----
23 Rent, communications, and utilities.....	9	9	-----
24 Printing and reproduction.....	1	1	-----
25 Other services.....	3	3	-----
Services of—			
Other agencies.....	9	9	-----
"Revolving fund, Corps of Engineers—Civil".....	1	1	-----
26 Supplies and materials.....	2	2	-----
32 Lands and structures.....	2,583	51	-----
Total, allocation accounts.....	2,741	213	-----
Total obligations.....	158,600	175,762	210,000
Obligations are distributed as follows:			
National Science Foundation.....	155,859	175,549	210,000
Corps of Engineers—Civil.....	83	22	-----
Department of Commerce (Bureau of Public Roads).....	2,658	191	-----

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
NATIONAL SCIENCE FOUNDATION			
Total number of permanent positions.....	526	628	684
Full-time equivalent of other positions.....	32	29	30
Average number of all employees.....	502	540	596
Number of employees at end of year.....	734	765	825
Average GS grade.....	8.0	8.3	8.3
Average GS salary.....	\$6,662	\$7,202	\$7,320
Average salary of ungraded positions.....	\$13,518	\$14,347	\$14,493
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	15	15	-----
Full-time equivalent of other positions.....	11	11	-----
Average number of all employees.....	21	21	-----
Number of employees at end of year.....	12	-----	-----
Average GS grade.....	8.0	8.1	-----
Average GS salary.....	\$6,600	\$6,900	-----

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under Title I of the Agricultural Trade Development and Assistance Act of 1964, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, \$2,000,000, which shall be available only to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Scientific information activities overseas (total obligations).....	903	609	2,000
Financing:			
Comparative transfers from (—) other accounts.....	—903	—609	-----
New obligational authority (appropriation).....	-----	-----	2,000

The National Science Foundation administers, on behalf of the Federal Government, a program of translating and disseminating scientific and technological information in certain foreign countries, using excess foreign currencies accruing from the sale of surplus agricultural commodities, as authorized by the provisions of section 104(k) of the Agricultural Trade Development and Assistance Act of 1954.

A total of \$2 million is requested for foreign currencies in 1962. It is planned to continue present activities in Israel, Poland, and Yugoslavia. In addition, funds are included to carry out studies and initiate pilot programs in India and Egypt.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel.....	-----	-----	7
25 Other services.....	903	609	1,993
Total obligations.....	903	609	2,000

NATIONAL SCIENCE FOUNDATION—Continued

Current authorizations—Continued

INTERNATIONAL GEOPHYSICAL YEAR
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Geophysical research related to the earth's atmosphere:			
(a) Basic atmospheric research.....	199		
(b) Earth satellite exploration of the upper atmosphere.....	20		
2. Geophysical research related to the planet earth.....	168		
3. Related scientific support activities.....	812		
4. Interdisciplinary research.....	277		
5. Scientific direction and administration.....	122		
Total obligations.....	1,598		
Financing:			
Unobligated balance brought forward.....	-1,708	-48	
Unobligated balance carried forward.....	48		
Unobligated balance lapsing.....	62	48	
New obligational authority (appropriation).....			

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1		
25 Other services: Services of other agencies.....	1,197		
31 Equipment.....	1		
41 Grants, subsidies, and contributions.....	399		
Total obligations.....	1,598		

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—economic," funds appropriated to the President.
 "Special foreign currency programs, translation of publications and scientific cooperation," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants and contracts (total obligations).....	170	18	
Financing:			
Unobligated balance brought forward.....	70	18	
Advances and reimbursements from other accounts.....	118		
Unobligated balance carried forward.....	-18		
Total financing.....	170	18	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	40	4	
41 Grants, subsidies, and contributions.....	130	14	
Total obligations.....	170	18	

OUTDOOR RECREATION RESOURCES REVIEW COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Act of June 28, 1958, as amended (72 Stat. 238; 73 Stat. 14), including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), **[\$950,000]** \$550,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Inventory and evaluation of nationwide recreation resources (total obligations).....	821	1,034	570
Financing:			
Unobligated balance brought forward.....	-75	-104	-20
Unobligated balance carried forward.....	104	20	
New obligational authority (appropriation).....	850	950	550

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 will be made during the current fiscal year and the Commission will terminate its activities by June 30, 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	265	353	330
Positions other than permanent.....	10	41	27
Other personnel compensation.....	14	23	29
Total personnel compensation.....	289	417	386
12 Personnel benefits.....	19	26	25
21 Travel and transportation of persons.....	31	37	37
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	7	11	10
24 Printing and reproduction.....	5	15	51
25 Other services.....	229	281	30
Services of other agencies.....	234	238	25
26 Supplies and materials.....	4	6	5
31 Equipment.....	2	2	
Total obligations.....	821	1,034	570

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	37	37	36
Full-time equivalent of other positions.....	2	4	4
Average number of all employees.....	32	40	37
Number of employees at end of year.....	42	37	0
Average GS grade.....	10.6	10.9	10.4
Average GS salary.....	\$8,512	\$9,471	\$9,438

RAILROAD RETIREMENT BOARD

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES

(Trust fund)

For expenses necessary for the Railroad Retirement Board **[\$9,485,000]** \$9,740,000, to be derived from the Railroad retirement account. (45 U.S.C., 228a-r; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maintenance of earnings accounts.....	515	542	383
2. Processing claims.....	6,438	6,911	6,975
3. Maintenance of beneficiary rolls.....	1,089	1,195	1,234
4. Hearings and appeals.....	54	59	59
5. Actuarial services.....	179	197	199
6. Administration.....	852	881	890
Total program costs.....	9,127	9,785	9,740
7. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-7		
Total obligations.....	9,120	9,785	9,740
Financing:			
Unobligated balance lapsing.....	340		
Limitation.....	9,460	9,485	9,740
Proposed increase in limitation due to pay increases.....		300	

The Board administers the railroad retirement system, financed by employer and employee taxes. This system provides annuities for age and disability and benefits for survivors. Funds for the administrative expenses of the Board in the operation of this program are derived from the Railroad retirement account.

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. Compensation items processed were 1,665 thousand in 1960 and are estimated at 1,698 thousand and 1,732 thousand in 1961 and 1962. 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. In past years the claims intake has followed an upward trend as more railroad workers, their spouses or survivors, become entitled. However, the claims received in 1960 exceed the estimates for 1961 and 1962 because of one-time loads received in that year as a result of the 1959 amendments to the Railroad Retirement Act. Claims processed were 205 thousand in 1960 and are estimated at 189 thousand and 193 thousand in 1961 and 1962.

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 will increase from 9,196 thousand in 1960 to an estimated 9,750 thousand and 10,300 thousand in 1961 and 1962. The number of persons on the rolls receiving monthly benefit payments will increase from 794 thousand at the end of 1960 to an estimated 825 thousand and 855 thousand in 1961 and 1962.

4. *Hearings and appeals.*—Individuals whose claims for annuities or benefits are disallowed or who dispute the award have the right of appeal. Appeals dispositions were 216 in 1960 and are estimated to be at about the same level in 1961 and 1962.

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.*—The cost of administration is shared between the retirement and the railroad unemployment insurance programs on a measured basis.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$23 thousand; 1960, \$16 thousand; 1961, \$16 thousand; 1962, \$16 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,589	7,072	7,110
Positions other than permanent.....	86	53	31
Other personnel compensation.....	191	205	78
Total personnel compensation.....	6,866	7,330	7,219
12 Personnel benefits:			
Travel and transportation of persons.....	189	220	220
Transportation of things.....	12	12	12
Rent, communications, and utilities.....	1,104	1,150	1,232
Printing and reproduction.....	65	69	65
Other services.....	244	284	278
Supplies and materials.....	155	138	130
Equipment.....	29	27	27
Total obligations.....	9,120	9,785	9,740

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,305	1,237	1,222
Full-time equivalent of other positions.....	25	14	9
Average number of all employees.....	1,230	1,205	1,185
Number of employees at end of year.....	1,221	1,205	1,187
Average GS grade.....	6.5	6.5	6.6
Average GS salary.....	\$5,465	\$5,984	\$6,067

RENEGOTIATION BOARD

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Renegotiation Board, including hire of passenger motor vehicles, 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, \$2,870,000] \$3,000,000. (Act of Mar. 23, 1951, Public Law 82-9, as amended: Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction.....	490	518	518
2. Staff operations.....	758	810	810
3. Renegotiation operations (field).....	1,560	1,687	1,672
Total program costs.....	2,808	3,015	3,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	7		
Total obligations.....	2,815	3,015	3,000

RENEGOTIATION BOARD—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	35		
New obligational authority.....	2,850	3,015	3,000
New obligational authority:			
Appropriation.....	2,850	2,870	3,000
Proposed supplemental due to pay increases.....		145	

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, which extends through June 30, 1962, are required to file with the Board. The Board has determined or recovered \$836,521 thousand in excessive profits from the date of its establishment through June 30, 1960. Of this total, \$52,708 thousand was determined during 1960.

1. *Executive direction.*—The Board is responsible for final action in all cases. This includes screening all filings involving renegotiable business over \$1 million and requests for exemption.

2. *Staff operations.*—The headquarters staff furnishes technical advice and assistance to the Board and regional organization.

3. *Renegotiation operations (field).*—The three regional boards conduct renegotiation proceedings and make initial determinations. The field boards make the excessive profit determination in all cases involving \$800 thousand or less of renegotiable profits; however, this determination may be appealed to the statutory board. All determinations in cases involving more than \$800 thousand renegotiable profits are reviewed and approved by the statutory board.

WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Total filings.....	22,368	17,419	18,200	17,800
Cases assigned for renegotiation:				
Assigned.....	1,161	1,103	1,170	1,170
Completed.....	1,400	1,350	1,400	1,400
End-of-year backlog.....	1,359	1,112	882	652

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$13 thousand; 1960, \$20 thousand; 1961, \$20 thousand; 1962, \$20 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,481	2,670	2,666
Positions other than permanent.....	4	4	4
Other personnel compensation.....	26	18	8
Total personnel compensation.....	2,511	2,692	2,678
12 Personnel benefits.....	162	188	188
21 Travel and transportation of persons.....	14	21	21
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	75	71	71
24 Printing and reproduction.....	8	8	8
25 Other services.....	20	15	15

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	14	14	14
31 Equipment.....	10	5	5
Total obligations.....	2,815	3,015	3,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	306	300	299
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	288	287	286
Number of employees at end of year.....	284	289	288
Average GS grade.....	9.3	9.3	9.3
Average GS salary.....	\$8,349	\$9,061	\$9,078

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 current fiscal year for such Corporation, except as hereinafter provided: [Provided, That the next audit of such Corporation by the Comptroller General shall be for the period July 1, 1959, through December 31, 1960, and thereafter such audits shall be for each calendar year;] (Department of Commerce and Related Agencies Appropriation Act, 1961.)

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Capital outlay:			
1. Land, land rights, and relocations.....	218	7	
2. Locks.....	692	969	247
3. Channels and canals.....	2,805	1,982	1,080
4. Roads and bridges.....	203	119	590
5. Navigation aids and related facilities.....	32	87	40
6. Permanent buildings and equipment.....	536	416	35
7. Engineering and design, supervision and inspection, other.....	253	37	
Total capital outlay.....	4,739	3,617	1,992
Operating costs:			
8. Operation of locks and canals and traffic control.....	588	514	508
9. Maintenance of plant, aids, and equipment.....	334	461	492
10. Administrative expenses (limitation).....	359	414	425
11. Interest.....	3,906	4,350	4,450
Total operating costs.....	5,187	5,739	5,875
12. Unfunded adjustment to operating costs: Accrued interest, deferred (—).....	—100	—1,600	—1,100
Total operating costs, funded.....	5,088	4,139	4,775
Total program costs, funded.....	9,826	7,756	6,767
13. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—243		—800
Obligations incurred for costs of other years, net.....		637	
Total obligations.....	9,583	8,393	5,967

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available: Revenue.....	3,305	4,131	4,739
Unobligated balance brought forward (author- ization to expend from public debt receipts).....	25,812	19,534	15,271
Total amounts available.....	29,117	23,664	20,010
Unobligated balance carried forward (author- ization to expend from public debt receipts).....	-19,534	-15,271	-14,043
Financing applied to program.....	9,583	8,393	5,967

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). The Seaway has been constructed and is being operated and maintained jointly by the Saint Lawrence Seaway Development Corporation and the St. Lawrence Seaway Authority of Canada, in conjunction with the related power development works provided by the Power Authority of the State of New York and the Hydro-Electric Power Commission of Ontario.

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 St. 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 revised total construction cost of the U.S. share of the Seaway, excluding interest during construction, is estimated at \$123.8 million. Work in place at the end of 1961 is estimated at \$121.8 million, and the budget year 1962 program to complete the project is estimated at \$2 million, consisting principally of channel enlargements, as well as additional pier protection for the high-level bridge.

Operating costs.—The Seaway has been operating on a toll basis since the 1959 shipping season. These costs consist of interest, administrative expenses, operation of locks and canals, control of traffic, and the related maintenance of the plant, navigation aids, and other equipment. Interest expense represents 76% of the operating costs in the budget year 1962. The estimates for Administrative expenses for 1962 are \$425 thousand, an increase of \$11 thousand over the program for 1961. These additional funds are proposed for augmenting traffic developmental activities.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders.....	706	379	1,000	200
Supplies, deferred charges, etc.....	-----	85	100	100
Total selected resources at end of year.....	706	463	1,100	300
Selected resources at start of year (-).....	-----	-706	-463	-1,100
Cost financed from obligations of other years, net (-).....	-----	-243	-----	-800
Obligations incurred for costs of other years, net.....	-----	-----	637	-----

Financing.—The Corporation is authorized to borrow \$140 million from the Treasury to finance the costs of the

Seaway and to provide for working capital and claims. Borrowings through fiscal year 1961 are estimated at \$121.4 million, and an additional \$2 million is required for the budget year 1962. Capitalized interest amounting to \$6.7 million has not been charged against the borrowing authority. During the past year, 1960, a \$45 thousand repayment on borrowings was returned to the Treasury as a result of the Cornwall International Bridge Company's revenues being in excess of interest and operating expenses.

Operating results.—The operating expenses for the budget year 1962 are estimated at \$5.9 million and the revenues at \$4.7 million, resulting in a loss for the year of \$1.1 million. During this developmental period, operating deficits were anticipated until such time as the volume of shipping traffic increases.

The toll rates have been established at a level which will repay all the costs of the investment in the Seaway, including interest and operating expenses, all within the 50-year statutory payout period, including any deficit incurred during the developmental period. No additional borrowing authority will be required to finance this deficit.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets.....	4,739	3,617	1,992
Expense.....	5,187	5,739	5,875
Total gross expenditures.....	9,926	9,356	7,867
Receipts from operations (funds provided):			
Revenue.....	3,305	4,131	4,739
Increase in interest accrued during opera- tions—deferred.....	100	1,600	1,100
Decrease in selected working capital.....	399	425	28
Total receipts from operations.....	3,804	6,156	5,867
Budget expenditures.....	6,122	3,200	2,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Shipping tolls.....	3,014	4,121	4,729
Other revenue.....	291	10	10
Total revenue.....	3,305	4,131	4,739
Expense:			
Operation and maintenance.....	922	975	1,000
Administrative expense.....	359	414	425
Interest.....	3,906	4,350	4,450
Total operating expense.....	5,187	5,739	5,875
Net loss (-) for the year.....	-1,882	-1,608	-1,136
Deficit (-), beginning of year.....	-54	-1,936	-3,544
Deficit (-), end of year.....	-1,936	-3,544	-4,680

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	232	232	232
Accounts receivable, net.....	574	550	550
Accrued tolls receivable, unbilled.....	165	150	150
Supplies, deferred charges, etc.....	85	100	100
Land, structures, and equipment, net.....	124,891	128,508	130,500
Total assets.....	125,947	129,540	131,532

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION—Continued

Public enterprise funds—Continued

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION FUND—Continued

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current.....	2,904	3,306	3,334
Accrued interest:			
Deferred during construction.....	6,574	6,574	6,574
Deferred during operations.....	250	1,850	2,950
Total liabilities.....	9,728	11,730	12,857
Government investment:			
Interest-bearing capital:			
Start of year.....	112,500	118,155	121,355
Borrowings from Treasury during year, net.....	5,655	3,200	2,000
End of year.....	118,155	121,355	123,355
Deficit (—).....	—1,936	—3,544	—4,680
Total Government investment.....	116,219	117,810	118,675

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	700	232	232	232
Budget authorization.....	27,500	21,846	18,645	16,645
Total unexpended balance.....	28,200	22,078	18,877	16,877
Obligated balance, net:				
Current liabilities.....	3,281	2,904	3,306	3,334
Unpaid undelivered orders.....	706	379	1,000	200
Accounts receivable, net (—).....	—1,599	—739	—700	—700
Total obligated balance.....	2,388	2,544	3,606	2,834
Unobligated balance.....	25,812	19,534	15,271	14,043

LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Not to exceed **[\$414,000]** \$425,000 shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed \$2,000 for official entertainment expenses, to be expended upon the approval or authority of the Administrator, purchase of **[two]** one passenger motor **[vehicles]** vehicle for replacement only, and 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*, 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total accrued expenses—costs).....	359	414	425
Financing:			
Unobligated balance lapsing.....	55		
Limitation.....	414	414	425

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,018	1,068	1,083
Positions other than permanent.....	1		
Other personnel compensation.....	116	35	25
Add excess of annual leave earned over leave taken.....	16	16	15
Total personnel compensation.....	1,151	1,119	1,123
Deduct portion not chargeable to limitation on administrative expense.....	865	805	800
Net personnel compensation.....	286	314	323
12 Personnel benefits.....	19	22	22
21 Travel and transportation of persons.....	18	30	32
22 Transportation of things.....	1	4	4
23 Rent, communications, and utilities.....	10	11	11
24 Printing and reproduction.....	11	12	12
25 Other services.....	2	5	5
Services of other agencies.....	10	10	10
26 Supplies and materials.....	2	5	5
41 Grants, subsidies, and contributions.....		1	1
Total accrued expenses—costs.....	359	414	425

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	165	171	170
Average number of all employees.....	129	154	161
Number of employees at end of year.....	159	168	170
Average GS grade.....	9.0	8.6	8.5
Average GS salary.....	\$7,497	\$7,640	\$7,658

SECURITIES AND EXCHANGE COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including 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), **[\$8,912,500]** \$10,915,000. (15 U.S.C. 77a-77bbb, 78a-78jj, 79-79z-6, 80a1-80a52, 80b1-80b21; 11 U.S.C. 501-676; 5 U.S.C. 1001-1011; 60 Stat. 810; *Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Full disclosure provisions.....	2,105	2,539	3,436
2. Prevention and suppression of fraud.....	3,220	3,693	4,051
3. Supervision and regulation of securities markets.....	217	243	254
4. Regulation of investment and public utility holding companies.....	500	650	744
5. Corporate reorganizations.....	288	329	330
6. Operational and business statistics.....	225	243	243
7. Executive and staff functions.....	932	1,049	1,067
8. Administrative services.....	681	772	790
Total program costs ¹.....	8,168	9,518	10,915
9. Unfunded adjustment to total operating costs: Property transferred in (—) without charge, net.....	—16	—4	
Total program costs, funded.....	8,152	9,514	10,915
10. Relations of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—58		
Obligations incurred for costs of other years, net.....		4	
Total obligations.....	8,094	9,518	10,915

¹ Includes capital outlay as follows: 1960, \$45 thousand; 1961, \$32 thousand; 1962, \$59 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	6		
New obligational authority.....	8,100	9,518	10,915
New obligational authority:			
Appropriation.....	8,100	8,912	10,915
Proposed supplemental due to pay increases.....		605	

The primary purpose of the Commission is to protect the interests of the investing public.

1. *Full disclosure provisions.*—Issuers of securities for public sale are required to file a registration statement and related prospectus containing significant information about the issuer and the offering with the Commission. This is to insure that investors will be provided with the material facts concerning security offerings.

SELECTED WORKLOAD DATA

	1959 actual	1960 actual	1961 estimate	1962 estimate
Registration statements examined.....	1,119	1,545	1,750	1,885
Preliminary proxy statements examined..	1,937	2,205	2,250	2,350
Administrative actions closed.....	113	128	153	203
Periodic reports examined.....	52,743	52,556	60,393	64,575
Regulation A filings examined.....	827	853	1,003	1,430

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. The 3-year cycle for the broker-dealer inspection program will continue in 1962. Inspections of investment advisers is estimated on a 5-year cycle.

SELECTED WORKLOAD DATA

	1959 actual	1960 actual	1961 estimate	1962 estimate
Investigations closed.....	483	536	550	590
Cases referred to the Department of Justice for criminal prosecution.....	48	53	50	50
Broker-dealers registered.....	4,907	5,288	5,550	5,800
Broker-dealer inspections.....	1,471	1,499	1,525	1,525
Applications for broker-dealer registration processed.....	917	1,103	1,161	1,200
Investment advisers registered.....	1,671	1,867	2,050	2,200
Investment adviser inspections.....				440
Applications for investment adviser registration processed.....	270	309	336	350

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.

SELECTED WORKLOAD DATA

	1959 actual	1960 actual	1961 estimate	1962 estimate
Inspections of exchange operations and investigations of exchange practices.....	16	20	24	24
Trading reports and field investigations reviewed regarding manipulative practices..	57	77	85	90
Plans for stabilizing securities offerings examined.....	611	871	900	935

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. A total of 18 holding company systems comprising 172 separate companies with assets of \$11.5 billion, are registered under the Public Utility Holding Company Act of 1935. Foreign and domestic investment companies are registered also and their activities supervised. The assets of these companies have increased from \$2.5 billion in 1941 to \$21.5 billion in 1960. In 1962 the investment company inspection program will be advanced to an 8-year cycle.

SELECTED WORKLOAD DATA

	1959 actual	1960 actual	1961 estimate	1962 estimate
Applications examined for approval of financing transactions, asset acquisitions, intercompany loans, dividends, and other related matters under the 1935 act.....	110	95	105	110
Examination of periodic reports.....	456	474	500	525
Number of registered investment companies.....	512	570	630	705
Investment company inspections.....	14	27	60	90
Registration of new investment companies..	70	67	75	90
Filings reviewed under 1940 act.....	1,115	1,331	1,372	1,620

5. *Corporate reorganizations.*—Independent expert assistance to the Federal courts is provided in proceedings under the Bankruptcy Act.

SELECTED WORKLOAD DATA

	1959 actual	1960 actual	1961 estimate	1962 estimate
Review of reorganization petitions filed in courts.....	88	83	88	95
Notices of appearances in court regarding new proceedings.....	14	9	12	14
Proceedings closed.....	4	9	10	10

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.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	18	6	10	10
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	81	35	35	35
Total selected resources at end of year.....	99	41	45	45
Selected resources at start of year (—).....		—99	—41	—45
Costs financed from obligations of other years, net (—).....		—58	—	—
Obligations incurred for costs of other years.....			4	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,811	8,031	9,190
Positions other than permanent.....	25	18	20
Other personnel compensation.....	72	45	52
Total personnel compensation.....	6,908	8,094	9,262
12 Personnel benefits.....	432	566	647
21 Travel and transportation of persons.....	270	308	335
22 Transportation of things.....	5	10	10

**SECURITIES AND EXCHANGE COMMISSION—
Continued**

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	213	220	312
24 Printing and reproduction.....	29	38	36
25 Other services.....	103	146	140
26 Supplies and materials.....	89	104	114
31 Equipment.....	45	32	59
Total obligations.....	8,094	9,518	10,915

Personnel Summary

Total number of permanent positions.....	1,000	1,090	1,235
Full-time equivalent of other positions.....	7	4	5
Average number of all employees.....	952	1,035	1,170
Number of employees at end of year.....	980	1,100	1,245
Average GS grade.....	8.9	9.2	9.3
Average GS salary.....	\$7,114	\$7,801	\$7,881

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other agencies (total obligations).....	2	15	
Financing:			
Advances and reimbursements from other accounts.....	2	15	

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Positions other than permanent.....	2		
Other personnel compensations.....		15	
Total obligations.....	2	15	

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); [purchase of eight passenger motor vehicles for replacement only, including one at not to exceed \$4,000;] not to exceed [\$61,536] \$62,000 for the National Selective Service Appeal Board; and [\$19,140] \$19,000 for the National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists; [\$31,528,400] \$34,475,000: *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.

[For an additional amount for "Salaries and expenses", \$1,300,000: *Provided*, That said appropriation shall be available for pay increases for employees of local and appeal boards, comparable to those provided by the Federal Employees Salary Increase Act of 1960, granted by administrative action pursuant to law, which may be effective on the same date as the pay increases provided by that Act.] (*Independent Offices Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. National administration.....	1,677	1,761	1,797
2. State administration.....	5,952	6,360	6,646
3. Registration, classification, and induction.....	21,194	24,985	25,951
4. Special boards:			
(a) National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists.....	11	19	19
(b) National Selective Service Appeal Board.....	49	61	62
Total program costs.....	28,883	33,186	34,475
5. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-30	-16	
Total obligations.....	28,853	33,170	34,475
Financing:			
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b); 40 U.S.C. 481(c)).....	-5		
Unobligated balance lapsing.....	430		
New obligational authority.....	29,278	33,170	34,475
New obligational authority:			
Appropriation.....	29,278	32,828	34,475
Proposed supplemental due to pay increases.....		341	

The primary purpose of the Selective Service System is effective manpower utilization through classification under the Universal Military Training and Service Act. The System is responsible for supplying men to keep the Armed Forces at their authorized strength and to the extent that their needs are not met by voluntary enlistment. It will be required to supply an estimated 90,000 men for this purpose in 1962 as compared to approximately 100,000 in 1961 and 90,000 in 1960.

1. *National administration.*—The overall administration of the act including planning, training, and records management is accomplished by the national headquarters and six regional field offices.

2. *State administration.*—Administration of the act within the several States is the responsibility of the 56 State headquarters operating under the policies determined by national headquarters.

3. *Registration, classification, and induction.*—These functions affecting over 23 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*—(a) *National Advisory Committee on the Selection of Physicians, Dentists, and Allied Specialists.*—This Committee acts in an advisory capacity to the Selective Service System. It is separately admin-

istered, but funds are furnished by the Selective Service System from its appropriation.

(b) *National Selective Service Appeal Board.*—This Board acts on the classification of registrants which have been appealed to the President. It is under separate administration but the Selective Service System provides funds for its operation.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores.....	206	185	170	170
Advances.....	10	1	-----	-----
Total selected resources at end of year..	216	186	170	170
Selected resources at start of year (—).....		—216	—186	—170
Costs financed from obligations of other years, net (—)...		—30	—16	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions:			
Civilian.....	17,212	20,108	21,422
Military.....	2,718	2,893	2,966
Positions other than permanent.....	3,664	3,999	4,054
Other personnel compensation.....	168	119	40
Total personnel compensation.....	23,762	27,119	28,482
12 Personnel benefits.....	1,338	1,652	1,660
21 Travel and transportation of persons:			
Administrative travel.....	505	665	666
Travel of selectees.....	974	1,673	1,592
Payment to interagency motor pools.....	34	38	40
22 Transportation of things.....	90	129	100
23 Rent, communications, and utilities:			
Communication services.....	515	600	603
Penalty mail.....	558	572	572
Rent and utilities.....	75	124	194
24 Printing and reproduction.....	143	142	142
25 Other services.....	128	115	126
26 Supplies and materials.....	222	222	172
31 Equipment.....	509	119	126
Total obligations.....	28,853	33,170	34,475

Personnel Summary

Total number of permanent positions.....	4,676	5,197	5,197
Full-time equivalent of other positions.....	1,157	1,094	1,095
Average number of all employees.....	5,705	6,026	6,239
Number of employees at end of year:			
Civilian employees.....	6,230	6,730	6,932
Military employees.....	258	257	256
Average GS grade.....	5.4	5.4	5.4
Average GS salary.....	\$5,005	\$5,490	\$5,562
Average salary of ungraded positions.....	\$3,737	\$4,014	\$4,092

SMALL BUSINESS ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration, including hire of passenger motor vehicles, **[\$5,597,000]** \$6,630,000, and in addition there may be transferred

to this appropriation not to exceed **[\$16,363,000]** \$18,447,000 from the revolving fund, Small Business Administration, and not to exceed **[\$675,000]** \$397,000 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. (72 Stat. 384, as amended, 689, as amended; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Procurement and technical assistance.....	3,015	3,840	4,104
2. Management and research assistance.....	624	793	868
3. Investment and development company assistance and supervision.....	984	1,310	1,658
4. Financial assistance.....	12,085	15,077	16,602
5. Liquidation of Reconstruction Finance Corporation loans.....	721	675	397
6. Contingency.....		1,636	1,845
Total obligations.....	17,429	23,331	25,474
Financing:			
Advances and reimbursements from—			
“Revolving fund”.....	—12,085	—16,713	—18,447
“Reconstruction Finance Corporation liquidation fund”.....	—721	—675	—397
Unobligated balance lapsing.....	317		
New obligational authority.....	4,940	5,943	6,630
New obligational authority:			
Appropriation.....	4,940	5,597	6,630
Proposed supplemental due to pay increases.....		346	

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. Research studies of matters ma-

SMALL BUSINESS ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

terially affecting the competitive strength of small business are financed also under this activity.

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 the revolving fund.

5. *Liquidation of Reconstruction Finance Corporation loans.*—As of June 30, 1960, there were 1,027 disaster loans outstanding amounting to \$2,412 thousand. These figures represent a reduction of 2,203 loans and \$12,334 thousand 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 million were transferred to the Small Business Administration on June 30, 1957, for liquidation. As of June 30, 1960, there were 149 loans outstanding amounting to \$2,810 thousand. Administrative expenses for this activity are also transferred from the Revolving fund, made up of receipts from these loans.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	13,924	17,388	18,990
Positions other than permanent.....	114	88	50
Other personnel compensation.....	209	173	68
Total personnel compensation.....	14,247	17,649	19,108
12 Personnel benefits.....	909	1,169	1,370
21 Travel and transportation of persons.....	915	1,167	1,320
22 Transportation of things.....	25	32	40
23 Rent, communications, and utilities.....	488	578	682
24 Printing and reproduction.....	138	197	230
25 Other services.....	129	315	245
Services of other agencies.....	156	110	117
26 Supplies and materials.....	169	203	224
31 Equipment.....	253	275	293
Reserve for contingency.....		1,636	1,845
Total obligations.....	17,429	23,331	25,474

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2,362	2,642	2,829
Full-time equivalent of other positions.....	28	18	10
Average number of all employees.....	2,121	2,418	2,685
Number of employees at end of year.....	2,233	2,580	2,772
Average GS grade.....	8.2	8.1	8.1
Average GS salary.....	\$6,698	\$7,105	\$7,069

GRANTS FOR RESEARCH AND MANAGEMENT COUNSELING
(Special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants (total obligations) (object class 41)....	1,990		
Financing:			
Unobligated balance brought forward.....	-25,644		
Unobligated balance rescinded (73 Stat. 209)....	23,654		
New obligational authority (appropriation)			

This special fund was established to finance grants to any State government, or agency thereof, State-chartered development credit or finance corporation, land-grant colleges and universities, and other schools for research and counseling concerning the managing and financing of small business enterprises. The amount appropriated 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 one grant could be made within any one State in any year, and no grant could exceed an aggregate amount of \$40 thousand. During 1960, a total of 53 grants were awarded. No grants will be made in 1961 and 1962 since the unobligated balance has been rescinded. If results obtained from studies made under the 1959 and 1960 grants program prove to be a valuable aid to small business, then further consideration will be given to the program after 1962.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations as follows:
"Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
"Limitation on administrative expenses, Fisheries loan fund," Fish and Wildlife Service, Department of the Interior.

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, **[\$50,000,000] \$20,000,000.** (72 Stat. 387, as amended, 689, as amended; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Financial assistance:			
Business loans:			
Direct.....	53,042	71,832	80,811
Immediate participation.....	80,707	93,972	105,698
Deferred participation.....	10,557	18,409	20,705
Total, business loans.....	144,306	184,213	207,214
Disaster loans.....	4,379	20,000	14,000
Conversions between types of loans.....	602		

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
1. Financial assistance—Continued			
Deferred participation business loans not expected to be purchased (—)	—8,742	—1,379	—14,494
Total loan commitments, net	140,545	202,834	206,720
Administrative expense	12,085	15,077	16,602
Other	1,246	988	1,080
Total, financial assistance	153,876	218,899	224,402
2. Investment and development company assistance:			
Purchase of debentures of small business investment companies	16,496	15,000	15,000
Loans to small business investment companies	1,870	6,000	27,000
Loans to State and local development companies	4,596	13,000	18,900
Program operating expenses	4	9	15
Total investment and development company assistance	22,966	34,009	60,915
3. Interest expense to Treasury on funds expended	15,602	13,513	15,353
Total commitments	192,444	266,421	300,670
4. Net change in reservations for loan commitments not matured into obligations	7,568		
Total obligations	200,012	266,421	300,670
Financing:			
Amounts becoming available:			
Appropriation	150,000	50,000	20,000
Receipts from operations:			
Principal collection on loans:			
Business loans	77,584	101,400	125,400
Disaster loans	9,563	9,600	11,200
Loans to State and local development companies	57	378	1,492
Interest and other revenue on loans and investments:			
Financial assistance program	19,607	21,681	23,640
Investment and development company assistance program	194	994	2,837
Sale of acquired collateral	512		
Other receipts	251		
Recovery of prior year obligations:			
Loan cancellations:			
Financial assistance program	25,690	22,500	24,340
Investment and development company assistance program	194		
Repayments to banks on deferred participation loans:			
Financial assistance program (disaster loans)	316	481	13
Investment and development company assistance program	2	40	151
Total amounts becoming available	283,970	207,074	209,073
Unobligated balance brought forward:			
Reserved	57,199	49,631	49,631
Unreserved	88,799	180,325	120,978
Total amounts available	429,968	437,030	379,682
Unobligated balance carried forward:			
Reserved	—49,631	—49,631	—49,631
Unreserved	—180,325	—120,978	—29,381
Financing applied to program	200,012	266,421	300,670

The Congress has authorized loan and investment commitments of \$950 million. A maximum of \$575 million may be outstanding for business loans, \$125 million for disaster loans, and \$250 million for investment and development company assistance. The position with respect to lending authority is as follows (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Financial assistance program:			
Business loans:			
Statutory limitation	575.0	575.0	575.0
Less—			
Investment in outstanding loans	340.8	369.8	409.9
Outstanding loan commitments:			
Deferred participation loans disbursed by banks	41.0	31.2	25.1
Undisbursed loan authorizations	60.5	82.9	84.4
Total charges against limitation	442.3	483.9	519.4
Balance of limitation	132.7	91.1	55.6
Disaster loans:			
Statutory limitation	125.0	125.0	125.0
Less—			
Investment in outstanding loans	43.4	50.2	50.9
Outstanding loan commitments:			
Deferred participation loans disbursed by banks	.5	.1	.1
Undisbursed loan authorizations	2.4	3.6	4.2
Total charges against limitation	46.3	53.9	55.2
Balance of limitation	78.7	71.1	69.8
Investment and development company assistance program:			
Statutory limitation	250.0	250.0	250.0
Less—			
Outstanding loans and investments:			
Investment in debentures of small business investment companies	4.5	19.5	34.5
Loans to small business investment companies	.8	3.8	20.3
Loans to State and local development companies	2.3	10.6	24.6
Outstanding loan and investment commitments:			
Undisbursed commitments to purchase debentures of small business investment companies	15.2	15.2	15.2
Undisbursed loan commitments:			
Loans to small business investment companies	1.1	4.1	14.6
Loans to State and local development companies	3.9	8.1	11.5
Total charges against limitation	27.8	61.3	120.7
Balance of limitation	222.2	188.7	129.3

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 participation 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 to any one borrower is limited to \$350 thousand, except for a loan to a corporation formed and capitalized by a

This fund finances business and disaster loans and investment and development company assistance activities authorized by the Small Business Act, as amended (72 Stat. 384), and the Small Business Investment Act, as amended (72 Stat. 689).

SMALL BUSINESS ADMINISTRATION—Continued**Public enterprise funds—Continued****REVOLVING FUND—Continued**

group of small business concerns for purposes authorized in the Small Business Act. With respect to such pool loans, the limitation is \$250 thousand for each separate small business 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 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, 1960, a total of 20,362 loans have been approved in a total amount of \$955.2 million (including participating banks' share of \$146.4 million). Sixty-four percent of these loans have been on a participation basis. The average size of loans approved to date is \$47 thousand. In 1962, it is estimated that 5,050 loans will be approved compared to an estimate of 4,490 in 1961 and 3,670 in 1960.

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 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 of dollars]

	1960 actual	1961 estimate	1962 estimate
Loan commitments during the year:			
Total amount.....	168.4	217.6	244.7
Small Business Administration share....	144.3	184.2	207.2
Loans outstanding on June 30 held by banks and Small Business Administration:			
Total amount (estimate).....	450.8	473.6	513.8
Small Business Administration share....	381.8	401.0	435.0
Loan disbursements by banks and Small Business Administration:			
Total amount.....	171.8	165.3	214.2
Small Business Administration share....	146.3	140.0	181.4
Loan repayments to banks and Small Business Administration:			
Total amount (estimate).....	115.0	142.5	174.0
Small Business Administration share (estimate).....	97.0	120.8	147.4

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 share of the loan. Through June 30, 1960, a total of 9,241 loans for \$97 million had 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 1961 and 1962. For program purposes, a nominal amount of \$14 million in new commitments has been assumed in 1962, which would represent almost 1,400 loans based on the average size of loans approved through

1960; 625 loans were approved in 1960. The figure of \$20 million for new commitments in 1961 reflects an increase over the average of about \$14 million in order to recognize the increase in loan activity as a result of the widespread damage caused by Hurricane Donna in September 1960.

DATA ON DISASTER LOANS

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Loan commitments during the year:			
Total amount.....	4.5	20.0	14.0
Small Business Administration share....	4.4	20.0	14.0
Loans outstanding June 30, held by banks and Small Business Administration:			
Total amount (estimate).....	45.5	52.2	52.5
Small Business Administration share....	43.8	50.3	51.0
Loan disbursements by banks and Small Business Administration:			
Total amount.....	4.6	17.2	11.9
Small Business Administration share....	4.4	16.6	11.9
Loan repayments to banks and Small Business Administration:			
Total amount (estimate).....	10.8	10.5	11.6
Small Business Administration share (estimate).....	10.3	10.1	11.2

Deferred participation business loans not expected to be purchased.—This reduction in loan commitments gives effect to the policy of committing funds for only a part of the agency's share of deferred participation loans, since experience shows that only a relatively small portion of its share of such loans will be purchased. Through 1960 only 20% of the agency share was committed. In 1961 the rate of commitment was increased to 30%, to recognize an upturn in the rate of purchases. This adjustment was made applicable for all such loans approved prior to 1961. The amount shown for 1961 gives effect to this retroactive adjustment.

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.—Small business investment companies 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 subordinated debentures of any such company in an amount equal to not more than \$150 thousand. It is estimated that 100 such companies will request a commitment from Small Business Administration for the purchase of debentures in 1962, the same as the 1961 estimate.

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. A total of 135 loans is anticipated for 1962 at an average of \$200 thousand each compared with an estimate of 40 loans for \$150 thousand each in 1961.

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 thousand for each such identifiable small business concern. This budget estimate assumes that legislation will be enacted to extend the program of loans to local development companies beyond the present expiration date of June 30, 1961. On such assumption a total of 170 loans (20 to State development companies for general use purposes and 150 to State and local companies for use in assisting identifiable small business concerns) will be approved in 1962.

Financing.—The capital of the revolving fund is provided by direct appropriation. Although Congress has authorized appropriations of \$950 million for loans and investments, \$740 million has been appropriated based on actual and estimated needs through June 30, 1961. After taking into consideration repayments, revenue, and cancellations of prior year loan commitments, and after making provision for a reserve for contingencies of \$29.4 million to provide for possible increases in the level of program operations, appropriations of \$20 million will be required as additional capital for the fund to finance the estimated program volume.

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 program are not reflected in the schedules since funds for such expenses are provided by direct appropriation.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Financial assistance program:			
Acquisition of assets:			
Business loan disbursements.....	131,326	130,400	165,500
Disaster loan disbursements.....	4,319	16,486	11,864
Conversions to direct and immediate participation loans.....	213		
Other.....	402		
Expense.....	28,604	28,913	31,125
Investment and development company assistance program:			
Acquisition of assets:			
Purchases of debentures of small business investment companies.....	4,255	15,000	15,000
Disbursements on loans to small business investment companies.....	800	3,000	16,500
Disbursements on loans to State and local development companies.....	2,326	8,700	15,400
Expense.....	136	674	1,925
Increase in selected working capital.....		1,840	
Total gross expenditures.....	172,381	205,013	257,314
Receipts from operations (funds provided):			
Financial assistance program:			
Loan repayments.....	87,147	111,000	136,600
Proceeds from sale of acquired collateral.....	512		
Repayment on judgments and notes receivable.....	251		
Revenue.....	19,607	21,681	23,640
Investment and development company assistance program:			
Loan repayments.....	57	378	1,492
Revenue.....	194	994	2,837

Sources and Application of Funds (Operations) (in thousands of dollars)—Con

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided)—Con.			
Decrease in selected working capital.....	7,671		1,793
Total receipts from operations.....	115,439	134,053	166,362
Budget expenditures.....	56,942	70,960	90,952

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financial assistance program:			
Revenue.....	19,607	21,681	23,640
Expense.....	31,523	33,186	36,123
Net operating loss (—), financial assistance program.....	—11,916	—11,505	—12,483
Investment and development company assistance program:			
Revenue.....	194	994	2,837
Expense.....	317	1,294	2,912
Net operating loss (—), investment and development company assistance program.....	—123	—300	—75
Nonoperating loss (—):			
Proceeds from sale of acquired collateral.....	512		
Net book value of assets sold (—).....	—617		
Net nonoperating loss (—).....	—105		
Net loss (—) for the year.....	—12,144	—11,805	—12,558
Deficit (—), beginning of year.....	—26,234	—40,241	—52,046
Expense applicable to prior year (—).....	—1,863		
Deficit (—), end of year.....	—40,241	—52,046	—64,604

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	280,686	259,726	188,774
Accounts receivable, net.....	4,264	4,379	4,426
Investments and loans receivable, net.....	379,323	436,716	517,032
Acquired security and collateral, net.....	1,063	1,063	1,063
Judgments and notes receivable, net.....	878	878	878
Deferred charges.....	2	2	2
Total assets.....	666,216	702,764	712,175
Liabilities:			
Current.....	16,121	14,396	16,236
Reserve for contingent losses on deferred participation loans disbursed by banks.....	336	414	543
Total liabilities.....	16,457	14,810	16,779
Government investment:			
Interest-bearing capital:			
Start of year.....	320,835	364,869	420,852
Transfer of interest-bearing expenditures from non-interest-bearing capital.....	44,034	55,983	74,350
End of year.....	364,869	420,852	495,202
Non-interest-bearing capital:			
Start of year.....	219,165	325,131	319,148
Appropriation.....	150,000	50,000	20,000
Transfer of expenditures to interest-bearing capital (—).....	—44,034	—55,983	—74,350
End of year.....	325,131	319,148	264,798
Total capital (cumulative appropriations).....	690,000	740,000	760,000
Deficit (—).....	—40,241	—52,046	—64,604
Total Government investment.....	649,759	687,954	695,396

SMALL BUSINESS ADMINISTRATION—Continued**Public enterprise funds—Continued**

REVOLVING FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	187,628	280,686	259,726	188,774
Obligated balance, net:				
Current liabilities.....	7,371	16,121	14,396	16,236
Undisbursed loan obligations.....	37,239	38,873	79,100	97,952
Accounts receivable, net (—).....	-2,980	-4,264	-4,379	-4,426
Total obligated balance.....	41,630	50,730	89,117	109,762
Unobligated balance is distributed as follows:				
Reserved ¹	57,199	49,631	49,631	49,631
Unreserved.....	88,799	180,325	120,978	29,381

¹ Represents undisbursed loan and investment commitments which have not yet matured into obligations.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services: Payment to "Salaries and expenses".....	12,085	15,077	16,602
33 Investments and loans.....	172,325	237,831	268,715
43 Interest (on appropriated funds expended).....	15,602	13,513	15,353
Total obligations.....	200,012	266,421	300,670

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative expenses.....	721	675	397
Other operating expenses.....	47	25	20
Other program obligations.....	243	100	100
Total obligations.....	1,011	800	517
Financing:			
Amounts becoming available:			
Receipts from operations:			
Principal collections on loans:			
Business loans.....	1,346	780	580
Disaster loans.....	1,122	600	500
Sale of acquired collateral.....	347		
Repayments on judgments and notes receivable.....	174	90	60
Interest and fee revenue on loans.....	238	159	119
Other revenue.....	38	20	15
Recovery of prior year obligations (repayments and other credits on deferred participation loans and loans sold under guarantee).....	591	50	50
Total amounts becoming available.....	3,856	1,699	1,324
Unobligated balance brought forward.....	1,632	1,077	476
Total amounts available.....	5,488	2,776	1,800
Capital transfer (repayment of investment to Treasury) (—).....	-3,400	-1,500	-900
Unobligated balance carried forward.....	-1,077	-476	-383
Financing applied to program.....	1,011	800	517

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. Loans and other assets in the fund will be substantially liquidated by the end of 1962. In order to eliminate separate accounting records and budget schedules for the relatively nominal amount of assets then remaining, plans are being made to transfer to the SBA revolving fund at the beginning of 1963 the assets and liabilities of the RFC liquidation fund.

Financing.—Administrative expenses and other program obligations are financed from receipts from the liquidation of loans and other assets.

Operating results and financial condition.—In 1960 net budget receipts of \$2.3 million together with cash funds carried over from 1959 provided funds sufficient to permit a payment of \$3.4 million to the Treasury as a return on the Government's investment. Estimated net budget receipts of \$0.8 million in each of fiscal years 1961 and 1962 will enable similar payments of \$1.5 million in 1961 and \$0.9 million in 1962. As of June 30, 1962, it is estimated that the Government investment will have been reduced to \$2.1 million, comprised of capital of \$5.3 million and an accumulated deficit of \$3.2 million.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans made.....	47		
Acquired security and collateral.....	226	100	100
Judgments and notes receivable.....	20		
Administrative expenses.....	721	675	397
Other operating expenses.....	47	25	20
Writeoff of accounts receivable.....	6		
Increase in selected working capital.....		11	
Total gross expenditures.....	1,067	811	517
Receipts from operations (funds provided):			
Loan repayments.....	2,468	1,380	1,080
Proceeds from sale of acquired collateral.....	347		
Repayments on other assets.....	174	90	60
Revenue.....	276	179	134
Reclassification of selected working capital.....	88		
Decrease in selected working capital.....	63		20
Total receipts from operations.....	3,416	1,649	1,294
Budget expenditures.....	-2,349	-838	-777

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	276	179	134
Expense.....	701	700	417
Net operating loss (—) for the year.....	-425	-521	-283

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Nonoperating loss (—):			
Proceeds from sale or other disposition of acquired collateral.....	347		
Net book value of assets disposed of (—).....	-366		
Net loss from sale (—).....	-19		
Net loss (—) for the year.....	-444	-521	-283
Deficit (—), beginning of year.....	-1,928	-2,372	-2,893
Deficit (—), end of year.....	-2,372	-2,893	-3,176

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,169	507	384
Accounts receivable, net.....	214	200	175
Loans receivable, net.....	3,253	1,848	743
Acquired security and collateral, net.....	412	537	662
Judgments and notes receivable, net.....	387	297	237
Total assets.....	5,435	3,389	2,201
Liabilities:			
Current.....	146	121	116
Government investment:			
Non-interest-bearing capital:			
Start of year.....	11,004	7,661	6,161
Adjustment of net accountability for assets transferred from "Reconstruction Finance Corporation liquidation fund," Treasury Department.....	57		
Repayment of investment to Treasury (—).....	-3,400	-1,500	-900
End of year.....	7,661	6,161	5,261
Deficit (—).....	-2,372	-2,893	-3,176
Total Government investment.....	5,289	3,268	2,085

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	2,220	1,169	507	384
Obligated balance, net:				
Current liabilities.....	337	146	121	116
Undisbursed loan obligations (deferred participation and repurchase agreements).....	710	160	110	60
Accounts receivable, net (—).....	-459	-214	-200	-175
Total obligated balance.....	588	92	31	1
Unobligated balance.....	1,632	1,077	476	383

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services: Reimbursements to "Salaries and expenses".....	721	675	397
33 Investments and loans.....	290	125	120
Total obligations.....	1,011	800	517

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other agencies:			
Department of Justice.....	1		
International Cooperation Administration.....	4		
Department of the Interior.....	1		
Total obligations.....	6		
Financing:			
Advances and reimbursements from—			
Other accounts.....	6		
Non-Federal sources (5 U.S.C. 61(b)).....	2		
Unobligated balance lapsing.....	-2		
Total financing.....	6		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	6		

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1		
Average number of all employees.....	1		
Number of employees at end of year.....	0		
Average GS grade.....	8.2		
Average GS salary.....	\$6,698		

SMITHSONIAN INSTITUTION

Current authorizations:

SALARIES AND EXPENSES

For all necessary expenses for the preservation, exhibition, and increase of collections from the surveying and exploring expeditions of the Government and from other sources; for the system of international exchanges between the United States and foreign countries; for anthropological researches among the American Indians and the natives of lands under the jurisdiction or protection of the United States, independently or in cooperation with State, educational, and scientific organizations in the United States, and the excavation and preservation of archeological remains; for maintenance of the Astrophysical Observatory and making necessary observations in high altitudes; for the administration of the National Collection of Fine Arts; for the administration, construction, and maintenance of laboratory and other facilities on Barro Colorado Island, Canal Zone, under the provisions of the Act of July 2, 1940, as amended by the provisions of Reorganization Plan Numbered 3 of 1946; for the maintenance and administration of a national air museum as authorized by the Act of August 12, 1946 (20 U.S.C. 77); including not to exceed \$35,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase, repair, and cleaning of uniforms for guards and elevator [conductors] operators, and uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131), for other employees; repairs and alterations of buildings and approaches; and preparation of manuscripts, drawings, and illustrations for publications; [\$7,768,000] \$9,275,000. (5 U.S.C. 1105-1133, 1181-1184, 2091-2093, 2131-2133; 20 U.S.C. 41-79e; 36 U.S.C. 20; 44 U.S.C. 139a; Department of the Interior and Related Agencies Appropriation Act, 1961.)

SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Management.....	156	163	165
2. Operation of—			
(a) U.S. National Museum.....	3,695	4,001	3,845
(b) Bureau of American Ethnology.....	70	74	86
(c) Astrophysical Observatory.....	353	403	595
(d) National Collection of Fine Arts.....	62	63	84
(e) National Air Museum.....	197	199	201
(f) Canal Zone Biological Area.....	53	53	53
(g) International Exchange Service.....	88	98	99
3. General services—			
(a) Buildings Management Service.....	1,992	2,121	2,590
(b) Other general services.....	1,232	1,346	1,446
Total program costs ¹	7,898	8,521	9,164
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-188	-453	-----
Obligations incurred for costs of other years, net.....	-----	-----	111
Total obligations.....	7,710	8,068	9,275
Financing:			
Unobligated balance lapsing.....	8	-----	-----
New obligational authority.....	7,718	8,068	9,275
New obligational authority:			
Appropriation.....	7,718	7,768	9,275
Proposed supplemental due to pay increases.....	-----	300	-----

¹ Includes capital outlay as follows: 1960, \$674 thousand; 1961, \$543 thousand; 1962, \$483 thousand.

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 two museums, two scientific bureaus, two art galleries, the Canal Zone Biological Area, and the International Exchange Service. It is responsible also for the operation and maintenance of five main exhibition buildings, a facility at Silver Hill, Md., and an exhibits laboratory. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

During the budget year, exhibit preparation for the new Museum of History and Technology will be accelerated, two exhibits renovation projects and five building rehabilitation projects will be completed. Visitors: 1958,

5,424 thousand; 1959, 6,351 thousand; 1960, 6,495 thousand.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1,608 thousand; 1959 (adjusted), \$1,861 thousand; 1960, \$1,673 thousand; 1961, \$1,220 thousand; 1962, \$1,331 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SMITHSONIAN INSTITUTION			
11 Personnel compensation:			
Permanent positions.....	4,526	4,942	5,843
Positions other than permanent.....	95	78	78
Other personnel compensation.....	84	67	49
Total personnel compensation.....	4,705	5,087	5,970
12 Personnel benefits.....	301	381	452
21 Travel and transportation of persons.....	62	89	89
22 Transportation of things.....	57	66	66
23 Rent, communications, and utilities.....	300	365	432
24 Printing and reproduction.....	250	252	242
25 Other services.....	553	544	508
26 Supplies and materials.....	310	354	351
31 Equipment.....	918	844	630
Total, Smithsonian Institution.....	7,456	7,982	8,740
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....	2	2	3
25 Other services.....	113	86	85
32 Lands and structures.....	327	451	336
Total, General Services Administration.....	442	539	424
Total costs.....	7,898	8,521	9,164
Costs financed from obligations of other years, net (—).....	-188	-453	-----
Obligations incurred for costs of other years, net.....	-----	-----	111
Total obligations.....	7,710	8,068	9,275

Personnel Summary

Total number of permanent positions.....	934	967	1,172
Full-time equivalent of other positions.....	22	19	19
Average number of all employees.....	896	915	1,083
Number of employees at end of year.....	928	975	1,175
Average GS grade.....	6.4	6.4	6.3
Average GS salary.....	\$5,509	\$5,965	\$5,941
Average salary of ungraded positions.....	\$4,372	\$4,385	\$4,419

ADDITIONS TO THE NATURAL HISTORY BUILDING

For an additional amount for "Additions to the Natural History Building", including construction, and not to exceed \$10,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$75 per diem for individuals, **[\$13,500,000]** \$5,310,000, to remain available until expended. (Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	Appropriation required to complete
Program by activities:									
1. Planning, design, and supervision.....	1,383	361	256	338	285	428	143		
2. Construction.....	18,227			2,000	11,100	10,917	5,127	5,310	
Total program costs.....	19,610	361	256	2,338	11,385	11,345	5,270	5,310	
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....			-244		-4,477				
Obligations incurred for costs of other years, net.....				9,640					
Total obligations.....			12	11,978	6,908				
Financing:									
Unobligated balance brought forward.....			-194	-183	-1,704				
Unobligated balance carried forward.....			183	1,704	106				
New obligational authority (appropriation).....				13,500	5,310				

1. *Planning, design, and supervision.*—Planning for the additions has been completed.

2. *Construction.*—Rehabilitation and modernization of the Natural History Building and construction of the east wing will be started in fiscal year 1961 and continued in 1962. This appropriation request will provide for the construction of the west wing and completion of the project.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$245 thousand; 1960, \$1 thousand; 1961, \$9,641 thousand; 1962, \$5,164 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SMITHSONIAN INSTITUTION			
11 Personnel compensation: Positions other than permanent.....	1	27	43
12 Personnel benefits.....		1	2
21 Travel and transportation of persons.....			2
22 Transportation of things.....			2
23 Rent, communications, and utilities.....			2
25 Other services.....			7
26 Supplies and materials.....			2
31 Equipment.....			5
Total, Smithsonian Institution.....	1	28	65

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....	1	25	1
25 Other services.....	254	285	219
32 Lands and structures.....		2,000	11,100
Total, General Services Administration.....	255	2,310	11,320
Total costs.....	256	2,338	11,385
Costs financed from obligations of other years, net (-).....	-244		-4,477
Obligations incurred for costs of other years, net.....		9,640	
Total obligations.....	12	11,978	6,908

Personnel Summary

Average number of all employees.....		6	9
Number of employees at end of year.....	9	15	19

REMODELING OF CIVIL SERVICE COMMISSION BUILDING

For necessary expenses of preparing plans and specifications for remodeling the Civil Service Commission Building to make it suitable to house certain art galleries of the Smithsonian Institution, as authorized by the Act of March 28, 1958 (72 Stat. 68), including 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 \$100 per diem for individuals, \$400,000, to remain available until expended.

SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

REMODELING OF CIVIL SERVICE COMMISSION BUILDING—Continued

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Planning, design, and supervision.....	400				360		40	400	
2. Remodeling.....	5,400								5,400
Total program costs.....	5,800				360		40	400	5,400
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....					30				
Total obligations.....					390				
Financing:									
Unobligated balance carried forward.....					10				
New obligational authority (appropriation).....					400				

1. *Planning, design, and supervision.*—Remodeling of the Civil Service Commission Building is planned to make it suitable to house certain art galleries of the Smithsonian Institution including a National Portrait Gallery and the National Collection of Fine Arts. Exhibited in this art museum building will be portraits of men and women who have made significant contributions to the history, development, and culture of the United States; the works of artists deserving of recognition; together with paintings, sculptures, bronzes, glass, porcelain, tapestry, furniture, and jewelry.

2. *Remodeling.*—It is anticipated that remodeling of the building will be started in 1963, and that the galleries will be opened to the public in the following year.

3. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders is as follows: 1962, \$30 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SMITHSONIAN INSTITUTION			
11 Personnel compensation: Positions other than permanent.....			25
12 Personnel benefits.....			2
21 Travel and transportation of persons.....			2

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
SMITHSONIAN INSTITUTION—Continued			
25 Other services.....			6
Total, Smithsonian Institution.....			35
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....			1
25 Other services.....			324
Total, General Services Administration.....			325
Total costs.....			360
Obligations incurred for costs of other years, net.....			30
Total obligations.....			390

Personnel Summary

Average number of all employees.....			4
Number of employees at end of year.....			7

MUSEUM OF HISTORY AND TECHNOLOGY
Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	Appropriation required to complete
Program by activities:									
1. Planning, design, and supervision.....	3,056	1,236	509	339	372	972	600		
2. Construction.....	32,944	1,602	3,255	10,200	13,000	17,886	4,886		
Total program costs.....	36,000	2,838	3,764	10,539	13,372	18,858	5,486		
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....				-6,738	-11,202				
Obligations incurred for costs of other years, net.....			21,744						
Total obligations.....			25,508	3,801	2,170				
Financing:									
Unobligated balance brought forward.....			-32,804	-7,296	-3,495				
Unobligated balance carried forward.....			7,296	3,495	1,325				
New obligational authority (appropriation).....									

1. *Planning, design, and supervision.*—Planning and design of the Museum of History and Technology have been completed.

2. *Construction.*—In this new museum, the Smithsonian Institution will display its renowned national collections typifying the historical and technological progress of the United States. 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: 1959, \$357 thousand; 1960, \$22,101 thousand; 1961, \$15,363 thousand; 1962, \$4,161 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SMITHSONIAN INSTITUTION			
11 Personnel compensation: Positions other than permanent.....	26	72	70
12 Personnel benefits.....		2	2
21 Travel and transportation of persons.....		5	5
24 Printing and reproduction.....		1	1
25 Other services.....		20	70
31 Equipment.....		2	2
Total, Smithsonian Institution.....	26	102	150
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....	40	15	20
25 Other services.....	441	222	202
31 Equipment.....			750
32 Lands and structures.....	3,257	10,200	12,250
Total, General Services Administration.....	3,738	10,437	13,222
Total costs.....	3,764	10,539	13,372
Costs financed from obligations of other years, net (-).....		-6,738	-11,202
Obligations incurred for costs of other years, net.....	21,744		
Total obligations.....	25,508	3,801	2,170

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	5	14	14
Number of employees at end of year.....	44	14	14

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; 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; ~~[\$1,848,000]~~ \$1,932,000. (20 U.S.C. 71-75; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Management and operation (total program costs ¹).....	1,797	1,967	1,932
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-53	
Obligations incurred for costs of other years, net.....	37		
Total obligations.....	1,834	1,914	1,932

¹ Includes capital outlay as follows: 1960, \$12 thousand; 1961, \$20 thousand; 1962, \$5 thousand.

SMITHSONIAN INSTITUTION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, NATIONAL GALLERY OF ART—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
New obligational authority.....	1,834	1,914	1,932
New obligational authority:			
Appropriation.....	1,834	1,848	1,932
Proposed supplemental due to pay increases.....		66	

1. *Management and operation.*—The National Gallery of Art receives, holds, and administers works of art acquired for the Nation by the Gallery's 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: 1958, 913 thousand; 1959, 952 thousand; 1960, 965 thousand.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	31	33	33	33
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	19	52	-----	-----
Total selected resources at end of year (—).....	50	86	33	33
Selected resources at start of year (—).....		—50	—86	—33
Adjustment of selected resources reported at start of year.....		1	-----	-----
Costs financed from obligations of other years, net (—).....		---	—53	---
Obligations incurred for costs of other years, net.....		37	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,385	1,513	1,524
Positions other than permanent.....	23	25	25
Other personnel compensation.....	44	39	33
Total personnel compensation.....	1,452	1,577	1,582
12 Personnel benefits.....	96	120	120
21 Travel and transportation of persons.....	7	7	7
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	122	130	130
24 Printing and reproduction.....	9	10	9
25 Other services.....	50	41	37
26 Supplies and materials.....	48	59	39
31 Equipment.....	12	6	7
32 Lands and structures.....		16	-----
Total costs.....	1,797	1,967	1,932
Costs financed from obligations of other years, net (—).....		—53	-----

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations incurred for costs of other years, net.....	37	-----	-----
Total obligations.....	1,834	1,914	1,932

Personnel Summary

Total number of permanent positions.....	326	325	325
Full-time equivalent of other positions.....	6	6	6
Average number of all employees.....	306	315	315
Number of employees at end of year.....	329	335	335
Average GS grade.....	4.9	4.8	4.8
Average GS salary.....	\$4,669	\$5,063	\$5,099
Average salary of ungraded positions.....	\$4,358	\$4,469	\$4,474

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, SMITHSONIAN INSTITUTION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
River basin archeological studies, Department of the Interior (total obligations).....	123	134	118
Financing:			
Unobligated balance brought forward.....	11	9	-----
Advances and reimbursements from other accounts.....	122	124	118
Unobligated balance carried forward.....	—9	-----	-----
Total financing.....	123	134	118

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	90	92	90
Positions other than permanent.....	11	15	7
Other personnel compensation.....	1	-----	-----
Total personnel compensation.....	101	107	97
12 Personnel benefits.....	6	8	7
21 Travel and transportation of persons.....	7	7	7
23 Rent, communications, and utilities.....	4	4	4
25 Other services.....		2	1
26 Supplies and materials.....	4	4	1
31 Equipment.....	1	2	1
Total obligations.....	123	134	118

Personnel Summary

Total number of permanent positions.....	19	17	16
Full-time equivalent of other positions.....	5	6	3
Average number of all employees.....	22	22	18
Number of employees at end of year.....	31	26	23
Average GS grade.....	6.2	6.3	6.5
Average GS salary.....	\$5,271	\$5,749	\$5,982

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedule of the parent appropriation, "National Zoological Park," operating expenses, District of Columbia.

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
General services (total costs—obligations).....		28	
Financing:			
New obligational authority (proposed supplemental appropriation).....		28	

Under existing legislation, 1961.—A supplemental appropriation is anticipated to meet the cost of wage-board salary increases.

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, \$395,000. (Sec. 12, title I, of the Internal Security Act of 1950, 50 U.S.C. 791, as amended; General Government Matters Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Adjudication of cases and legal activities (total program costs).....	284	395	395
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1		
Total obligations.....	285	395	395
Financing:			
Unobligated balance lapsing.....	95		
New obligational authority (appropriation).....	380	395	395

1. Adjudication of cases and legal activities.—Upon petitions being filed, the Board holds formal hearings and determines whether: (a) organizations are Communist-action organizations, Communist-front organizations, or Communist-infiltrated organizations; (b) individuals are officers or members of a Communist-action organization or officers of a Communist-front organization and required to register as such; (c) the registration of particular Communist-action organizations or Communist-front organizations or of particular individuals should be canceled; and (d) a particular Communist-infiltrated organization has ceased to be a Communist-infiltrated organization. The Board's determinations involve the consideration of petitions, motions, answers, and evidence adduced at the hearings. In each case the Board issues a report in writing setting forth its rulings and findings as to the facts, and issues an appropriate order.

To date, the Board has heard and is hearing, only cases in which petitions against alleged Communist organizations have been filed by the Attorney General, who is the only person authorized by law to bring such actions. Under the act, proceedings concerning individuals in such

organizations must await final determinations by the Board and by the appellate courts where an appeal has been taken, that the organizations to which they belong are Communist-action or Communist-front.

2. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1960, \$1 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	254	311	312
Other personnel compensation.....	1	3	2
Total personnel compensation.....	255	314	314
12 Personnel benefits.....	17	23	23
21 Travel and transportation of persons.....		30	30
23 Rent, communications, and utilities.....	4	5	5
24 Printing and reproduction.....	2	5	5
25 Other services.....		10	10
Services of other agencies.....	3	3	3
26 Supplies and materials.....	3	3	3
31 Equipment.....	1	1	1
Total obligations.....	285	395	395

Personnel Summary

Total number of permanent positions.....	30	36	36
Average number of all employees.....	27	33	33
Number of employees at end of year.....	25	35	35
Average GS grade.....	8.3	8.7	8.7
Average GS salary.....	\$5,854	\$6,903	\$6,903

TARIFF COMMISSION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Tariff Commission, including subscriptions to newspapers (not to exceed \$300), not to exceed \$65,000 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 \$75 per diem for individuals, \$2,455,000: \$2,770,000: 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. (Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research, investigations, and reports.....	1,835	2,296	2,447
2. Executive direction and administration.....	294	318	323
Total program costs.....	2,129	2,614	2,770
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—3	
Obligations incurred for costs of other years, net.....	6		
Total obligations.....	2,135	2,611	2,770
Financing:			
New obligational authority.....	2,135	2,611	2,770

TARIFF COMMISSION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	2,135	2,455	2,770
Proposed supplemental due to pay increases.....		156	

It is the responsibility of the Commission to determine the impact of U.S. and foreign tariff and trade policies on domestic industries and to provide reports and recommendations to the President, Congress or the public on these matters. The increase in foreign trade and the economic forces tending to change the established world trade patterns have resulted in a greater demand for research, investigations, and reports on tariff and trade activities. A moderate budget increase is proposed.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	7	7	7	7
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	7	13	10	10
Total selected resources at end of year.....	14	20	17	17
Selected resources at start of year (—).....		—14	—20	—17
Costs financed from obligations of other years, net (—).....			—3	
Obligations incurred for costs of other years, net.....		6		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,818	2,232	2,387
Positions other than permanent.....	9	13	13
Other personnel compensation.....	18	14	3
Total personnel compensation.....	1,844	2,259	2,403
12 Personnel benefits.....	124	167	178
21 Travel and transportation of persons.....	29	67	62
22 Transportation of things.....		3	3
23 Rent, communications, and utilities.....	19	26	28
24 Printing and reproduction.....	10	12	12
25 Other services.....	13	14	14
26 Supplies and materials.....	27	29	31
31 Equipment.....	68	34	39
Total obligations.....	2,135	2,611	2,770

Personnel Summary

Total number of permanent positions.....	274	294	320
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	237	270	290
Number of employees at end of year.....	269	290	309
Average GS grade.....	9.0	9.2	9.1
Average GS salary.....	\$7,269	\$7,936	\$7,909

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Research, investigations, and reports (total obligations).....	8	9	11
Financing:			
Advances and reimbursements from other accounts.....	8	9	11

Object Classification (in thousands of dollars)

11 Personnel compensation: Permanent positions.....	7	8	9
12 Personnel benefits.....	1	1	1
26 Supplies and materials.....			1
Total obligations.....	8	9	11

Personnel Summary

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.....	5.0	5.0	5.0
Average GS salary.....	\$4,056	\$4,514	\$4,680

TAX COURT OF THE UNITED STATES

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses, including contract stenographic reporting services, **[\$1,565,000]** \$1,770,000: *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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration and adjudication (total program costs).....	1,487	1,649	1,771
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—19	—1
Obligations incurred for costs of other years, net.....	18		
Total obligations.....	1,505	1,630	1,770
Financing:			
Unobligated balance lapsing.....	30		
New obligational authority.....	1,535	1,630	1,770
New obligational authority:			
Appropriation.....	1,535	1,565	1,770
Proposed supplemental due to pay increases.....		65	

1. *Administration and adjudication.*—The Tax Court hears and decides cases involving income 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 1962 the Court proposes a trial program of 160 weeks to be held in approximately 50 cities. This program should result in closing approximately 6,500 cases.

The actual and estimated work volume of the Court is presented in the following tabulation.

	1959 actual	1960 actual	Per- cent ¹	1961 estimate	Per- cent ¹	1962 estimate	Per- cent ¹
Filed.....	6,744	6,369	-5.6	6,000	-5.8	6,000	-----
Reopened.....	142	111	-21.8	120	8.1	120	-----
Closed.....	5,855	6,743	15.2	6,500	-3.6	6,500	-----
Pending, close of year.....	13,434	13,171	-2.0	12,791	-2.9	12,411	-3.0

¹ Percentage increase or decrease (-) over previous year.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$16 thousand; 1959 (adjusted), \$15 thousand; 1960, \$33 thousand; 1961, \$14 thousand; 1962, \$13 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,165	1,233	1,298
Other personnel compensation.....	76	101	160
Total personnel compensation.....	1,241	1,335	1,458
12 Personnel benefits.....	70	83	83
13 Benefits for former personnel.....	23	23	23
21 Travel and transportation of persons.....	44	46	48
22 Transportation of things.....	2	2	3
23 Rent, communications, and utilities.....	18	30	37
Penalty and registered mail.....	5	5	5
24 Printing and reproduction.....	15	16	16

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	28	39	39
Services of other agencies.....	6	6	7
26 Supplies and materials.....	19	19	21
31 Equipment.....	16	45	30
Total costs.....	1,487	1,649	1,771
Costs financed from obligations of other years, net (-).....		-19	-1
Obligations incurred for costs of other years, net.....	18		
Total obligations.....	1,505	1,630	1,770

Personnel Summary

Total number of permanent positions.....	152	152	160
Average number of all employees.....	145	143	150
Number of employees at end of year.....	153	151	159
Average GS grade.....	8.0	8.8	8.8
Average GS salary.....	\$6,404	\$7,020	\$7,089

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 (not to exceed four, of which three shall be for replacement only), hire, maintenance, and operation of aircraft, and purchase (not to exceed two hundred for replacement only) and hire of passenger motor vehicles, **[\$20,520,000]** \$29,703,000, to remain available until expended. (*Public Works Appropriation Act, 1961.*)

Public enterprise funds:

TENNESSEE VALLEY AUTHORITY FUND

Program and Financing (in thousands of dollars)

	Power proceeds and bonds			Appropriations and nonpower proceeds			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Program by activities:									
Operating costs:									
1. Navigation, flood control, and power program:									
(a) Navigation operations.....				3,319	3,675	3,690	3,319	3,675	3,690
(b) Flood control operations.....				2,932	3,152	3,144	2,932	3,152	3,144
(c) Power operations.....	191,823	198,546	211,033				191,823	198,546	211,033
(d) Multipurpose reservoir operations not allocated above.....				293	279	296	293	279	296
(e) Topographic mapping.....				209	188	145	209	188	145
2. Fertilizer, agricultural, and munitions program:									
(a) Research on fertilizer products and processes.....				1,868	2,001	2,091	1,868	2,001	2,091
(b) Fertilizer production and distribution.....				18,011	20,311	20,854	18,011	20,311	20,854
(c) Fertilizer tests and demonstrations.....				2,037	2,355	2,404	2,037	2,355	2,404
(d) Agricultural development projects.....				88	109	96	88	109	96
3. Watershed protection and improvement program.....				1,125	1,295	1,420	1,125	1,295	1,420
4. General service activities:									
(a) Bridge maintenance (23 U.S.C. 320(a-f)).....				6	9	10	6	9	10
(b) Reimbursable services.....				3,991	4,961	6,523	3,991	4,961	6,523
Total operating costs.....	191,823	198,546	211,033	33,879	38,335	40,673	225,702	236,881	251,706
5. Unfunded adjustments to total operating costs:									
Depreciation included above (-).....	-48,727	-50,350	-52,100	-3,934	-4,068	-4,068	-52,661	-54,418	-56,168
Property or services transferred in (-) without charge.....				-3			-3		
Amortization of discount on borrowings (-).....		-7	-12					-7	-12
Total operating costs, funded.....	143,096	148,189	158,921	29,942	34,267	36,605	173,038	182,456	195,526

TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Program and Financing (in thousands of dollars)—Continued

	Power proceeds and bonds			Appropriations and nonpower proceeds			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued									
Operating costs—Continued									
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—)									
Obligations incurred for costs of other years, net	741	—2,020	—2,237	2,478	—1,529	1,390	3,219	—3,549	—847
Total operating obligations	143,837	146,169	156,684	32,420	32,738	37,995	176,257	178,907	194,679
Capital outlay:									
1. Navigation, flood control, and power program:									
(a) Multipurpose dam		3,080	8,508	156	3,080	8,508	156	6,160	17,016
(b) Navigation facilities				2,846	3,368	10,358	2,846	3,368	10,358
(c) Flood control facilities				140	127		140	127	
(d) Power supply facilities	67,886	117,328	156,968	3,071	1,069		70,957	118,397	156,968
(e) Transmission system facilities	26,840	26,740	30,750				26,840	26,740	30,750
(f) Additions and improvements at existing facilities	1,790	2,116	1,499	509	1,470	1,268	2,299	3,586	2,767
(g) Other, including investigations for future facilities	171	1,989	544	176	89	101	347	2,078	645
2. Fertilizer, agricultural, and munitions program:									
Chemical facilities				997	1,314	3,017	997	1,314	3,017
4. General service activities: General facilities				1,513	456	1,549	1,513	456	1,549
Total capital outlay costs	96,687	151,253	198,269	9,408	10,973	24,801	106,095	162,226	223,070
5. Unfunded adjustment to total capital outlay costs:									
Property or services transferred in (—) without charge	—147			—103			—250		
Total capital outlay costs, funded	96,540	151,253	198,269	9,305	10,973	24,801	105,845	162,226	223,070
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—)			—41,799	—1,132		—2,671	71,036	30,186	—44,470
Obligations incurred for costs of other years, net	72,168	26,900			3,286				
Total capital outlay obligations	168,708	178,153	156,470	8,173	14,259	22,130	176,881	192,412	178,600
Total obligations	312,545	324,322	313,154	40,593	46,997	60,125	353,138	371,319	373,279
Financing:									
Amounts becoming available:									
Appropriation				14,904	20,520	29,703	14,904	20,520	29,703
Authorization to expend from corporate debt receipts	750,000						750,000		
Revenue and receipts:									
Navigation operations				6	7	7	6	7	7
Power operations	242,898	253,531	273,710				242,898	253,531	273,710
Multipurpose reservoir operations				293	279	296	293	279	296
Fertilizer, agricultural, and munitions development				17,140	20,051	20,582	17,140	20,051	20,582
Watershed protection and improvement				77	49	45	77	49	45
Reimbursable services				3,991	4,961	6,523	3,991	4,961	6,523
Other receipts	818	973	720	892	567	508	1,710	1,540	1,228
Total amounts becoming available	993,716	254,504	274,430	37,303	46,434	57,664	1,031,019	300,938	332,094
Unobligated balance brought forward:									
Cash	—14,864			9,269	5,979	5,416	—5,595	5,979	5,416
Authorization to expend from corporate debt receipts		666,307	544,765					666,307	544,765
Total amounts available	978,852	920,811	819,195	46,572	52,413	63,080	1,025,424	973,224	882,275
Discount on borrowings		—292						—292	
Capital transfer:									
Payment of earnings to Treasury (—)		—41,432	—40,000					—41,432	—40,000
Repayment of Government investment (—)		—10,000	—10,000					—10,000	—10,000
Unobligated balance carried forward:									
Cash				—5,979	—5,416	—2,955	—5,979	—5,416	—2,955
Authorization to expend from corporate debt receipts	—666,307	—544,765	—456,041				—666,307	—544,765	—456,041
Financing applied to program	312,545	324,322	313,154	40,593	46,997	60,125	353,138	371,319	373,279

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 the generation of electric power. Fertilizer research and agricultural activities promote conservation and improved use of land and water resources. Forestry activities stress maximum use of forest resources consistent

with watershed protection. Watershed development work seeks integrated solution of problems in 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 corporation wholly owned by the Federal Government. Its 1962 activities will be financed from three sources: (1) appropriations by the Congress; (2) proceeds available from current power operations and from borrowings against future power revenues; and (3) proceeds available from nonpower activities.

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 at 9 dams, 11 major fuel-electric generating stations, and a power transmission network of about 11,851 circuit miles.

NAVIGATION—SUMMARY OF ESTIMATED OPERATING COSTS

	[In thousands of dollars]		
	1960 actual	1961 estimate	1962 estimate
Receipts.....	6	7	7
Operating costs:			
Operating expense.....	294	336	353
Distribution of administrative and general expense.....	17	19	19
Allocation of multipurpose reservoir operations expense.....	1,342	1,500	1,498
Provision for depreciation.....	1,666	1,820	1,820
Total operating costs.....	3,319	3,675	3,690
Net expense.....	3,313	3,668	3,683

(a) *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 in calendar year 1959 amounted to 12 million tons and 2.2 billion ton-miles. Transportation savings to shippers on this volume of traffic are estimated at \$24.8 million, the difference between freight charges actually paid and those which would have obtained if the river had not been improved for navigation. About \$23.7 million of these savings applied on freight originating outside the valley or moving from the valley to outside destinations. Engineering work assures that physical facilities are operated, maintained, and modified or improved 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 1962 are estimated at \$10,358 thousand. This provides for continuing construction of the lock at Wheeler Dam started in 1961, for completing construction of the lock at Wilson Dam, started in 1957, and for beginning planning

and design of a new lock at Guntersville Dam, Ala. Minor alterations to the multipurpose features of the three dams incidental to lock construction are covered in the estimate.

FLOOD CONTROL—SUMMARY OF ESTIMATED OPERATING COSTS

	[In thousands of dollars]		
	1960 actual	1961 estimate	1962 estimate
Operating expense.....	329	379	376
Distribution of administrative and general expense.....	20	22	22
Allocation of multipurpose reservoir operations expense.....	1,348	1,513	1,508
Provision for depreciation.....	1,235	1,238	1,238
Total operating costs.....	2,932	3,152	3,144

(b) *Flood control operations* of the Tennessee River system 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 11.8 million acre-feet of storage for flood control at the beginning of the flood season. Cities and agricultural lands in the Tennessee Valley are protected and flood crests can be reduced on the lower Ohio and Mississippi Rivers. Since 1936, regulation of the reservoirs for flood control has averted damages of about \$120.2 million at Chattanooga, Tenn., and about \$24.7 million on the lower Ohio and Mississippi Rivers. 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. Of more than 100 communities in the valley needing to deal with such conditions, 67 had received technical data as of June 30, 1960. Ten have officially adopted flood-plain regulations, 6 have used the data in preparing plans for urban redevelopment or in selecting sites for new school buildings, and others are planning definite follow-up action. It is planned to develop and present technical data to 11 or more additional communities in each of fiscal years 1961 and 1962.

POWER—SUMMARY OF ESTIMATED REVENUE AND RECEIPTS AND OPERATING COSTS

	[In thousands of dollars]		
	1960 actual	1961 estimate	1962 estimate
Revenue and receipts:			
Sales of electric energy (outside):			
Federal agencies.....	110,035	110,390	110,620
Others.....	128,368	136,970	157,860
Other income.....	4,495	6,171	5,230
Total revenue and receipts.....	242,898	253,531	273,710
Operating costs:			
Production and transmission (including allocation from multipurpose reservoir operations).....	127,089	133,188	143,366
Payment in lieu of taxes.....	6,313	6,483	6,862
Other operating expense.....	11,995	10,905	11,085
Provision for depreciation.....	48,727	50,350	52,100
Total costs.....	194,124	200,926	213,413
Less interdivisional sales and rents.....	2,301	2,380	2,380
Total operating costs.....	191,823	198,546	211,033
Net power income.....	51,075	54,985	62,677

(c) *Power operations* involve 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

TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

power. As of September 1, 1960, power is distributed by 151 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 Army on the Cumberland River, and the Aluminum Company of America on the Little Tennessee River is estimated to be 70.1 billion kilowatt-hours in 1962. This is about 4.6 billion kilowatt-hours greater than the energy supplied to the system in 1960 and also about 4.6 billion kilowatt-hours above that estimated to be supplied in 1961. Net income from power operations, after depreciation, for 1962 is estimated to be \$62.7 million—\$11.6 million greater than in 1960, and \$7.8 million above the estimate for 1961. The estimates assume average streamflow conditions. Better than average streamflows could produce some increase in net income over the estimates; with subnormal streamflows, the net income would be significantly reduced by increases in production expense.

POWER SYSTEM FACILITIES—SUMMARY OF ESTIMATED CAPITAL OUTLAY FROM POWER PROCEEDS AND BONDS

[In thousands of dollars]

	1962 estimate
Multipurpose dam: Melton Hill Dam and Reservoir, units 1-2.....	8,508
Other power supply facilities:	
Continuing construction:	
Widows Creek steam unit 8.....	25,683
Colbert steam unit 5.....	23,056
Paradise steam units 1-2.....	85,207
Wilson hydro units 19-21.....	2,323
Wheeler hydro units 9-11.....	8,571
Beginning construction: Eastern area steam plant unit 1.....	12,128
Total, power supply facilities (including Melton Hill).....	165,476
Transmission system facilities.....	30,750
Additions and improvements at existing power facilities.....	1,499
Other, including investigations for future facilities.....	544
Total, power system facilities.....	198,269

The 1962 estimate for power supply facilities to be financed from power proceeds and bonds is \$165,476 thousand. Of this estimate, \$153,348 thousand is for continuing construction of steam generating units at the Widows Creek, Colbert, and Paradise projects and hydro-electric generating units at Melton Hill, Wilson, and Wheeler Dams; \$95,285 thousand from future power revenue and bonds will be required to complete the units started prior to 1962. Provision of \$12,128 thousand is made for starting construction of a new steamplant at a site in the eastern area of the system. The initial installation, to be in service in the winter of 1964-65, will consist of one 800,000-kilowatt unit at a total estimated cost of \$138 million, to be financed from power revenues and bond proceeds. Load growth indicates that at least a second 800,000-kilowatt unit will need to be in service in the winter of 1965-66. The second unit, to be ordered concurrently with the first, can be placed either in the same eastern area plant (in which case the total estimated cost of the two-unit plant will be \$225 million) or at another location, depending on further study of engineering and economic factors. As of June 30, 1960, the installed nameplate capacity of the system was 11.4 million kilowatts, including 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 1961 (including those being installed at the Cheatham project by the Department of the Army) will bring the system nameplate capacity to 13.3 million kilowatts by the winter of 1962-63. The estimated dependable capacity of the system at that time of 13.6 million kilowatts provides a reserve of 12.3% over estimated system demands of 12.2 million kilowatts to allow for loss of capacity because of breakdown of generating equipment and needs for its maintenance, failure of substation equipment and transmission lines, and drawdown of reservoirs during extremely dry periods. The presently budgeted capacity additions will increase the system dependable capacity to 14.9 million kilowatts by the end of calendar year 1963 and to about 15.7 million kilowatts by the end of calendar year 1964. The presently estimated demands are 13.2 million kilowatts and 14.3 million kilowatts, leaving reserves of 12.9% and 9.8%, respectively, in the winters of 1963-64 and 1964-65. These margins are lower than those which are generally considered desirable by the electric utility industry. Additional capacity will need to be placed in service to meet future load growth, but the magnitude and location have not yet been determined.

Estimated capital outlay costs for power supply facilities in 1962 include \$8,508 thousand from power proceeds and bonds for continuing construction of the Melton Hill Dam and Reservoir on the Clinch River, about 23 miles upstream from its confluence with the Tennessee. The project will extend the navigation channel to Clinton, Tenn., and provide rated power generating capacity of 72,000 kilowatts. The cost of the lock, other navigation facilities, and an allocated portion of the multiple-purpose facilities will be financed with appropriated funds; and the balance with power proceeds and bond proceeds.

(e) *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 46,100 square miles). As of June 30, 1960, 697 quadrangles (about 42,200 square miles) were completed and printed. To continue work on the remaining 66 quadrangles (about 3,900 square miles) and complete them by the end of 1962, operating costs in 1962 are estimated at \$145 thousand.

2. *Fertilizer, agricultural, and munitions program.*—Chemical facilities at Wilson Dam, Ala., are maintained and operated as a national fertilizer development center, but 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—SUMMARY OF ESTIMATED OPERATING COSTS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts.....	4	5	5
Operating costs:			
Operating expense.....	1,752	1,879	1,969
Distribution of administrative and general expense.....	66	72	72
Provision for depreciation.....	50	50	50
Total operating costs.....	1,868	2,001	2,091
Net expense.....	1,864	1,996	2,086

(a) *Research on fertilizer products and processes* has three phases—fundamental research, applied research, and process engineering 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. Significant projects in 1962 will be research on the compound oxamide and on nonexplosive ammonium nitrate; studies and development work will continue on high-temperature techniques for the production of nitrogen compounds for use in fertilizers. Other continuing work relates to liquid fertilizers, new nitrogen compounds, ammonium polyphosphate fertilizer, and granular potassium metaphosphate fertilizer.

FERTILIZER PRODUCTION AND DISTRIBUTION—SUMMARY OF ESTIMATED OPERATING COSTS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts.....	16,556	19,344	19,880
Operating costs:			
Operating expense.....	16,651	18,949	19,492
Distribution of administrative and general expense.....	393	420	420
Provision for depreciation.....	967	942	942
Total operating costs.....	18,011	20,311	20,854
Net expense.....	1,455	967	974

(b) *Fertilizer production and distribution* has 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 1962 production plans are increased tonnage of new materials—ammonium phosphate nitrate, ammonium nitrate sulfate, and liquid fertilizer—and reduced distribution of calcium metaphosphate and ammonium nitrate. Estimated cost of fertilizer production and distribution in 1962 is \$20,854 thousand; income from the sale of fertilizer products and byproducts is estimated at \$19,880 thousand.

FERTILIZER TESTS AND DEMONSTRATIONS—SUMMARY OF ESTIMATED OPERATING COSTS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts.....	580	702	697
Operating costs:			
Operating expense.....	1,970	2,282	2,331
Distribution of administrative and general expense.....	60	65	65
Provision for depreciation.....	7	8	8
Total operating costs.....	2,037	2,355	2,404
Appropriated funds.....	1,362	1,537	1,597
Nonpower proceeds.....	675	818	807
Net expense.....	1,457	1,653	1,707

(c) *Fertilizer tests and demonstrations* are of three principal types: (1) laboratory and field plot tests to deter-

mine 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. In 1962 some 3,455 farms in 32 States will participate in the program. Farmer payments for TVA fertilizer used in test demonstrations will total \$697 thousand, averaging about 61% 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 1962 cooperating institutions will pay an estimated \$1,050 thousand of the cost of field planning and supervision; TVA's payment is estimated at \$330 thousand.

Capital outlay costs for chemical facilities are estimated to be \$3,017 thousand in 1962, providing primarily for beginning construction of a new nitric acid unit to replace facilities built in 1918, for beginning construction of a demonstration-scale unit for producing solid ammonium polyphosphate fertilizer, and for continuing construction of a new electric phosphorus furnace to replace two small furnaces that are fully depreciated.

3. *Watershed protection and improvement program.*—The protection and improvement of the Tennessee River watershed constitute an important part of TVA's program for the proper use, conservation, and development of the region's natural resources. 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.

WATERSHED PROTECTION AND IMPROVEMENT—SUMMARY OF ESTIMATED OPERATING COSTS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts.....	77	49	45
Operating costs:			
Operating expenses.....	1,049	1,211	1,336
Distribution of administrative and general expense.....	68	75	75
Provision for depreciation.....	8	9	9
Total operating costs.....	1,125	1,295	1,420
Net expense.....	1,048	1,246	1,375

Watershed protection and improvement activities are of three types: tributary watershed projects, major tributary 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 1962 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 Chestee and Beech River watersheds in Tennessee and the Yellow Creek watershed in Mississippi. Another watershed project will be initiated in a valley State to be selected.

TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Major tributary projects involve TVA participation in the development of resources in the major tributary basins in the upper reaches of the valley. In these areas, water control and use are key factors in comprehensive resource development. This work is a cooperative enterprise in which citizen associations in major tributary basins will provide leadership.

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 forest damage prevention, reforestation, and wood utilization.

4. *General service activities.*—Operating costs for this program cover primarily reimbursable services furnished at the request and expense of other agencies.

GENERAL SERVICE ACTIVITIES—SUMMARY OF ESTIMATED OPERATING COSTS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts (reimbursements).....	3,991	4,961	6,523
Operating costs:			
Bridge maintenance (23 U.S.C. 320 (a)-(f)).....	6	9	10
Reimbursable services.....	3,991	4,961	6,523
Total operating costs.....	3,997	4,970	6,533
Net expense.....	6	9	10

The 1962 estimate of \$6,523 thousand for reimbursable services includes \$1,205 thousand for mapping services performed for the Army, the Geological Survey, and others. The estimate includes \$3,096 thousand for starting construction of a bridge over Pickwick Dam, for which reimbursement is to be received from the Bureau of Public Roads and the State of Tennessee. Also included is work for the Department of Defense in connection with keeping the Muscle Shoals Phosphate Development Works in standby status.

Estimated capital outlay of \$1,549 thousand for general facilities in 1962 is made up of a budget outlay of \$2,969 thousand, offset by depreciation credits of \$1,420 thousand. The \$2,969 thousand is for purchase of equipment used in all program activities and covers primarily replacement of trucks and other heavy mobile equipment.

6. *Relation of costs to obligations.*—The relationships for operating costs and for capital outlay costs are derived from year-end balances of selected resources as reflected in the following table (in thousands of dollars):

RELATION OF OPERATING COSTS TO OBLIGATIONS

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories, financed from power proceeds.....	33,913	34,896	32,860	30,615
Inventories, financed from appropriations and nonpower proceeds.....	5,114	5,375	5,560	5,560
Unpaid undelivered orders, financed from power proceeds and bonds.....	1,112	870	886	894
Unpaid undelivered orders, financed from appropriations and nonpower proceeds.....	261	2,478	764	2,154
Total selected resources at end of year.....	40,400	43,619	40,070	39,223
Selected resources at start of year (—).....	—40,400	—43,619	—43,619	—40,070
Costs financed from obligations of other years, net (—).....	—	—	—3,549	—847
Obligations incurred for costs of other years, net.....	—	3,219	—	—

RELATION OF CAPITAL OUTLAY COSTS TO OBLIGATIONS

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unpaid undelivered orders:				
Financed from power proceeds and bonds.....	62,306	134,474	161,374	119,575
Financed from appropriations and nonpower proceeds.....	2,038	906	4,192	1,521
Total unpaid undelivered orders at end of year.....	64,344	135,380	165,566	121,096
Unpaid undelivered orders at start of year (—).....	—64,344	—135,380	—135,380	—165,566
Costs financed from obligations of other years, net (—).....	—	—	—	—44,470
Obligations incurred for costs of other years, net.....	—	71,036	30,186	—

Total obligations in 1962 are estimated at \$373,279 thousand.

Estimated capital outlay obligations are detailed by programs in the following tabulation (in thousands of dollars):

CAPITAL OUTLAY

	Obligations			Estimate to complete		Costs				
	Total estimate	To June 30, 1959 (net)	1960 actual	1961 estimate	1962 estimate	Deduct income 1960, 1961, 1962	Funds required to complete	1960 actual	1961 estimate	1962 estimate
Financed from power proceeds and bonds:										
1. Navigation, flood control, and power program:										
Multipurpose dam: Melton Hill Dam and Reservoir.....	20,000			4,074	7,954	—	7,972	—	3,080	8,508
Power supply facilities.....	805,425	220,973	141,398	133,951	116,643	352	192,812	67,886	117,328	156,968
Transmission system facilities.....			25,477	35,967	29,940	—	—	26,840	26,740	30,750
Additions and improvements at existing power facilities.....			1,610	2,223	1,389	—	—	1,790	2,116	1,499
Other, including investigations for future facilities.....			223	1,938	544	—	—	171	1,989	544
Total capital outlay costs.....			168,708	178,153	156,470	—	—	96,687	151,253	198,269
5. Unfunded adjustment to total capital outlay costs: Property or services transferred in (—) without charge.....			—	—	—	—	—	—147	—	—
Total financed from power proceeds and bonds.....			168,708	178,153	156,470	—	—	96,540	151,253	198,269
Financed from appropriations and nonpower proceeds:										
1. Navigation, flood control, and power program:										
Multipurpose dam: Melton Hill Dam and Reservoir.....	14,000	305	154	4,074	7,954	—	1,513	156	3,080	8,508
Navigation facilities:										
New locks:										
Wheeler Dam.....	16,000	46	197	4,075	7,544	—	4,138	204	3,475	8,144
Guntersville Dam.....	16,500	—	—	20	205	—	16,275	—	20	177
Wilson Dam.....	36,998	32,830	2,427	1,452	334	45	—	2,595	—135	2,034
Other navigation facilities.....			47	8	3	—	—	47	8	3

CAPITAL OUTLAY

	Total estimate	To June 30, 1959 (net)	Obligations			Estimate to complete		Costs		
			1960 actual	1961 estimate	1962 estimate	Deduct income 1960, 1961, 1962	Funds required to complete	1960 actual	1961 estimate	1962 estimate
Financed from appropriations and nonpower proceeds—Continued										
1. Navigation, flood control, and power program—Continued										
Flood control facilities.....			140	127	-----	-----	-----	140	127	-----
Power supply facilities.....	198,432	195,726	1,989	769	-----	52	-----	3,071	1,069	-----
Additions and improvements at existing multiple-use facilities.....			572	1,270	1,268	-----	-----	509	1,470	1,268
Investigations for future facilities.....			176	89	101	-----	-----	176	89	101
2. Fertilizer, agricultural, and munitions program: Chemical facilities.....			945	2,192	3,172	-----	-----	997	1,314	3,017
4. General service activities: General facilities.....			1,526	183	1,549	-----	-----	1,513	456	1,549
Total capital outlay costs.....			8,173	14,259	22,130	-----	-----	9,408	10,973	24,801
5. Unfunded adjustment to total capital outlay costs: Property or services transferred in (—) without charge.....						-----	-----	-103		
Total financed from appropriations and nonpower proceeds.....			8,173	14,259	22,130	-----	-----	9,305	10,973	24,801

Financing.—Amounts estimated to become available in 1962 would be derived from (1) the requested appropriation of \$29,703 thousand; (2) nonpower revenue and receipts of \$27,961 thousand; and (3) power revenue and receipts of \$274,430 thousand. In addition, the budget program anticipates financing from borrowings (not guaranteed by the Government) of \$140 million backed by future power revenue. A summary of the application of appropriations follows (in thousands of dollars):

APPLICATION OF APPROPRIATIONS

	1960 actual	1961 estimate	1962 estimate
Operations:			
1. Navigation, flood control, and power program:			
Navigation operations.....	311	355	372
Flood control operations.....	349	401	398
Topographic mapping.....	208	187	144
Multipurpose reservoir operations.....	2,690	3,013	3,006
2. Fertilizer, agricultural, and munitions program:			
Research on fertilizer products and processes.....	1,818	1,951	2,041
Fertilizer tests and demonstrations.....	1,355	1,529	1,589
Agricultural development projects.....	88	109	96
3. Watershed protection and improvement program.....	1,117	1,286	1,411
4. General service activities: Bridge maintenance (23 U.S.C. 320 (a)-(f)).....	6	9	10
Total operations.....	7,942	8,840	9,067
Capital outlay:			
1. Navigation, flood control, and power program:			
Multipurpose dam: Melton Hill Dam and Reservoir....	154	4,050	7,954
Navigation facilities:			
New lock at Wheeler Dam....	197	4,075	7,544
New lock at Guntersville Dam (plans and designs)....	-----	20	205
New lock at Wilson Dam....	3,252	-----	-----
Flood control facilities.....	140	-----	-----
Additions and improvements at existing facilities.....	572	1,071	111
Investigations for future facilities.....	176	89	101
2. Fertilizer agricultural and munitions program: Chemical facilities.....	945	2,192	3,172
4. General service activities: General facilities.....	1,526	183	1,549
Total capital outlay.....	6,962	11,680	20,636
Total appropriation.....	14,904	20,520	29,703
Unobligated balance brought forward.....	5,291	4,073	1,494
Unobligated balance carried forward.....	-4,073	-1,494	-----
Obligations against appropriated funds.....	16,122	23,099	31,197

A summary of the power proceeds estimated for 1962 follows (in thousands of dollars):

Power proceeds for year:	
From revenue and receipts.....	274,430
From borrowings.....	140,000
Total proceeds.....	414,430
Add decrease in power inventories.....	2,245
Less program requirements for operations and capital outlay.....	357,190
Excess of proceeds over program requirements.....	59,485
Less requirements for payment to Treasury.....	50,000
Excess of proceeds over all requirements.....	9,485

The TVA Act permits investment of power proceeds derived from operations or from bond issues in securities approved for national bank funds. A resolution adopted by the Board of Directors requires TVA, insofar as it is authorized to do so, to invest proceeds from the sale of the first revenue bond issue of \$50 million only in obligations of or guaranteed by the United States. Power proceeds which are temporarily surplus to needs are invested in accordance with the foregoing provisions. Interest income, estimated at \$1,700 thousand for 1961 and \$700 thousand for 1962, is reflected in the budget schedules.

Operating results and financial condition.—Accumulated net income from power operations at the end of 1962 is estimated at \$687,979 thousand, of which \$62,677 thousand is derived from 1962 operations. The accumulated net expense of nonpower programs at the end of 1962 is estimated at \$238,552 thousand, of which \$13,205 thousand is from 1962 operations. Only the power program is intended to be self-supporting; the net expense of nonpower programs is covered largely by appropriations from the Treasury. Payment to the Treasury in 1962 is estimated at \$50 million—\$40 million as a dividend (return on the appropriation investment in the power program) and \$10 million as a reduction in the appropriation investment in the power program.

Total equity of the Government at the end of 1962 is expected to be \$2,193,499 thousand—\$1,790,068 thousand being invested in power program assets and \$403,431 thousand in assets of other programs (in thousands of dollars):

	Total	Power program	Other programs
Appropriations by the Congress.....	2,026,419	1,369,045	657,374
Transfers of property.....	45,671	19,535	26,136
Subtotal.....	2,072,090	1,388,580	683,510
Less payment to the Treasury.....	246,586	205,059	41,527
Net Treasury investment.....	1,825,504	1,183,521	641,983
Retained net income from power operations.....	606,547	606,547	-----
Accumulated net expense of other programs.....	238,552	-----	238,552
Total equity of the Government.....	2,193,499	1,790,068	403,431

TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Sources and Application of Funds (Operations) (in thousands of dollars)

	Power proceeds and bonds			Appropriations and nonpower proceeds			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):									
Navigation, flood control, and power program:									
Acquisition of assets.....	96,540	151,253	198,269	6,889	9,203	20,235	103,429	160,456	218,504
Expense.....	143,096	148,196	158,933	3,851	4,235	4,216	146,947	152,431	163,149
Fertilizer, agricultural, and munitions program:									
Acquisition of assets.....				995	1,314	3,017	995	1,314	3,017
Expense.....				20,980	23,776	24,445	20,980	23,776	24,445
Watershed protection and improvement program: Expense.....				1,117	1,286	1,411	1,117	1,286	1,411
General service activities:									
Acquisition of assets.....				1,421	456	1,549	1,421	456	1,549
Expense.....				3,997	4,970	6,533	3,997	4,970	6,533
Subtotal.....	239,636	299,449	357,202	39,250	45,240	61,406	278,886	344,689	418,608
Increase in selected working capital.....				1,800	1,559	700	1,800	1,559	700
Total gross expenditures.....	239,636	299,449	357,202	41,050	46,799	62,106	280,686	346,248	419,308
Receipts from operations (funds provided):									
Revenue and other receipts:									
Navigation, flood control, and power program: Revenue.....	242,898	253,531	273,710	299	286	303	243,197	253,817	274,013
Fertilizer, agricultural, and munitions program: Revenue.....				17,140	20,051	20,582	17,140	20,051	20,582
Watershed protection and improvement program: Revenue.....				77	49	45	77	49	45
General service activities: Reimbursements.....				3,991	4,961	6,523	3,991	4,961	6,523
Undistributed receipts:									
Sale of retired assets and construction costs recovered.....	617	973	720	863	524	493	1,480	1,497	1,213
Sale of property transferred from other agencies.....				4			4		
Other revenue.....	201			25	43	15	226	43	15
Total revenue and other receipts.....	243,716	254,504	274,430	22,399	25,914	27,961	266,115	280,418	302,391
Amortization of discount on borrowings.....		7	12					7	12
Donated working capital.....				3			3		
Decrease in selected working capital.....	2,720	10,838	13,560				2,720	10,838	13,560
Total receipts from operations.....	246,436	265,349	288,002	22,402	25,914	27,961	268,838	291,263	315,963
Budget expenditures.....	-6,800	34,100	69,200	18,648	20,885	34,145	11,848	54,985	103,345

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	Power program			Nonpower programs			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
POWER PROGRAM									
Power operations:									
Revenue and receipts.....	242,898	253,531	273,710				242,898	253,531	273,710
Expense.....	191,823	198,546	211,033				191,823	198,546	211,033
Net income, power operations.....	51,075	54,985	62,677				51,075	54,985	62,677
Analysis of retained earnings:									
Retained earnings, beginning of year.....	519,242	570,317	583,870				519,242	570,317	583,870
Payment of earnings to Treasury (return to Treasury on appropriation investment) (-).....		-41,432	-40,000					-41,432	-40,000
Retained earnings, end of year.....	570,317	583,870	606,547				570,317	583,870	606,547
NONPOWER PROGRAMS									
Navigation operations:									
Revenue.....				6	7	7	6	7	7
Expense.....				3,319	3,675	3,690	3,319	3,675	3,690
Net operating expense, navigation operations.....				-3,313	-3,668	-3,683	-3,313	-3,668	-3,683
Flood control operations: Expense.....				-2,932	-3,152	-3,144	-2,932	-3,152	-3,144
Multipurpose reservoir operations not allocated above:									
Revenue.....				293	279	296	293	279	296
Expense.....				293	279	296	293	279	296
Net operating expense, multipurpose reservoir operations not allocated above.....									
Topographic mapping: Expense.....				-209	-188	-145	-209	-188	-145

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	Power program			Nonpower programs			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
NONPOWER PROGRAMS—Continued									
Fertilizer, agricultural, and munitions program:									
Revenue.....				17,140	20,051	20,582	17,140	20,051	20,582
Expense.....				22,004	24,776	25,445	22,004	24,776	25,445
Net operating expense, fertilizer, agricultural, and munitions program.....				-4,864	-4,725	-4,863	-4,864	-4,725	-4,863
Watershed protection and improvement program:									
Revenue.....				77	49	45	77	49	45
Expense.....				1,125	1,295	1,420	1,125	1,295	1,420
Net operating expense, watershed protection and improvement program.....				-1,048	-1,246	-1,375	-1,048	-1,246	-1,375
Other programs:									
Revenue.....				25	43	15	25	43	15
Expense.....				6	9	10	6	9	10
Net operating income, other programs.....				19	34	5	19	34	5
Total net expense, nonpower programs.....				-12,347	-12,945	-13,205	-12,347	-12,945	-13,205
Analysis of deficit (-) (accumulated expense of nonpower programs), beginning of year.....				-200,055	-212,402	-225,347	-200,055	-212,402	-225,347
Deficit (-) (accumulated net expense of nonpower programs), end of year.....				-212,402	-225,347	-238,552	-212,402	-225,347	-238,552
Retained earnings, or deficit (-) (accumulated net income from power operations, less accumulated net expense of nonpower programs), end of year.....	570,317	583,870	606,547	-212,402	-225,347	-238,552	357,915	358,523	367,995

Financial Condition (in thousands of dollars)

Assets:									
Cash.....	10,861	7,825	23,325	14,861	18,372	13,930	25,722	26,197	37,255
U.S. securities (par).....	51,289	14,625	19,925				51,289	14,625	19,925
Current receivables, net.....	19,109	16,375	16,375	3,159	2,000	2,700	22,268	18,375	19,075
Inventories.....	34,896	32,860	30,615	5,375	5,560	5,560	40,271	38,420	36,175
Land, structures, and equipment, net.....	1,685,631	1,787,262	1,933,244	366,854	371,534	391,241	2,052,485	2,158,796	2,324,485
Unamortized discount on borrowings.....		285	273					285	273
Total assets.....	1,801,786	1,859,232	2,023,757	390,249	397,466	413,431	2,192,035	2,256,698	2,437,188
Liabilities:									
Current.....	29,608	31,800	43,115	8,657	10,000	10,000	38,265	41,800	53,115
Long term: Borrowings from the public.....		50,000	190,000					50,000	190,000
Contributions in aid of construction.....	574	574	574				574	574	574
Government investment:									
Power program:									
Noninterest bearing capital:									
Start of year.....	1,198,981	1,201,287	1,192,988				1,198,981	1,201,287	1,192,988
Appropriation (allocation).....	2,159	1,701	533				2,159	1,701	533
Transfers of property from other agencies.....	147						147		
Payment to Treasury (-).....		-10,000	-10,000					-10,000	-10,000
End of year.....	1,201,287	1,192,988	1,183,521				1,201,287	1,192,988	1,183,521
Retained earnings (accumulated net income from power operations).....	570,317	583,870	606,547				570,317	583,870	606,547
Net investment in power program.....	1,771,604	1,776,858	1,790,068				1,771,604	1,776,858	1,790,068
Nonpower programs:									
Noninterest bearing capital:									
Start of year.....				581,139	593,994	612,813	581,139	593,994	612,813
Appropriation (allocation).....				12,745	18,819	29,170	12,745	18,819	29,170
Transfers of property from other agencies.....				110		110			
End of year.....				593,994	612,813	641,983	593,994	612,813	641,983
Deficit (-) (accumulated net expense of nonpower programs).....				-212,402	-225,347	-238,552	-212,402	-225,347	-238,552
Net investment in nonpower programs.....				381,592	387,466	403,431	381,592	387,466	403,431
Total Government investment.....	1,771,604	1,776,858	1,790,068	381,592	387,466	403,431	2,153,196	2,164,324	2,193,499

TENNESSEE VALLEY AUTHORITY—Continued

Public enterprise funds—Continued

TENNESSEE VALLEY AUTHORITY FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)

	Power program				Nonpower programs				Total			
	1959 actual	1960 actual	1961 estimate	1962 estimate	1959 actual	1960 actual	1961 estimate	1962 estimate	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:												
Cash with Treasury and U.S. securities.....	55,415	62,150	22,450	43,250	18,540	14,861	18,372	13,930	73,955	77,011	40,822	57,180
Budget authorization.....		750,000	700,000	560,000						750,000	700,000	560,000
Total unexpended balance.....	55,415	812,150	722,450	603,250	18,540	14,861	18,372	13,930	73,955	827,011	740,822	617,180
Obligated balance, net:												
Current liabilities.....	28,496	29,608	31,800	43,115	9,481	8,657	10,000	10,000	37,977	38,265	41,800	53,115
Unpaid undelivered orders to be paid from—												
Appropriations and nonpower proceeds.....					2,299	3,384	4,956	3,675	2,299	3,384	4,956	3,675
Power proceeds ¹	63,418	135,344	162,260	120,469					63,418	135,344	162,260	120,469
Current receivables, net (—).....	-21,635	-19,109	-16,375	-16,375	-2,509	-3,159	-2,000	-2,700	-24,144	-22,268	-18,375	-19,075
Total obligated balance.....	70,279	145,843	177,685	147,209	9,271	8,882	12,956	10,975	79,550	154,725	190,641	158,184
Unobligated balance.....	-14,864	666,307	544,765	456,041	9,269	5,979	5,416	2,955	-5,595	672,286	550,181	458,996

¹ Not included in these figures are June 30 commitments for fuel contracts which were \$78,992 thousand for 1959; \$325,203 thousand for 1960; and which are estimated at \$320,724 thousand for 1961, and \$320,614 thousand for 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	66,851	72,862	77,508
Positions other than permanent.....	23,255	34,958	52,864
Other personnel compensation.....	3,217	3,692	3,420
Add excess of annual leave earned over leave taken.....	364		
Total personnel compensation.....	93,687	111,512	133,792
12 Personnel benefits.....	8,005	9,308	10,189
21 Travel and transportation of persons.....	1,319	1,515	1,625
22 Transportation of things.....	21,618	22,545	25,907
23 Rent, communications, and utilities.....	2,583	2,528	2,550
24 Printing and reproduction.....	95	117	96
25 Other services.....	10,537	12,886	15,306
26 Supplies and materials.....	84,622	93,726	110,614
31 Equipment.....	47,725	73,469	97,670
32 Lands and structures.....	3,584	7,424	5,725
41 Grants, subsidies, and contributions.....	6,313	6,483	6,862
42 Insurance claims and indemnities.....	39	28	27
43 Interest and dividends.....		1,290	5,988
Total accrued expenditures.....	280,127	342,831	416,351
Increase or decrease (—) in unpaid undelivered orders.....	73,011	28,488	-43,072
Total obligations.....	353,138	371,319	373,279

Personnel Summary

Total number of permanent positions.....	11,249	11,464	11,781
Full-time equivalent of other positions.....	3,483	5,199	7,574
Average number of all employees.....	13,964	16,237	19,048
Number of employees at end of year.....	14,993	17,719	19,249
Average grade, grades established by the board of directors.....	4.7	4.7	4.7
Average salary, grades established by the board of directors.....	\$6,879	\$7,117	\$7,168
Average salary of ungraded positions.....	\$5,693	\$5,816	\$6,041

UNITED STATES INFORMATION AGENCY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to enable the United States Information Agency, as authorized by Reorganization Plan No. 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 as 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); entertainment within the United States not to exceed \$500; hire of passenger motor vehicles; insurance on official motor vehicles in foreign countries; 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; **[\$102,557,300]** **\$110,600,000**, of which not less than \$14,000,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed **[\$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, 1961.*)

Note.—Estimate for 1962 excludes \$2,182 thousand for activities transferred in the estimates to "Salaries and expenses (special foreign currency program)." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Overseas missions.....	40,550	42,428	45,141
2. Media services:			
(a) Press and publications service.....	8,995	9,136	9,949
(b) Motion picture service.....	5,536	5,470	6,252
(c) Information center service.....	5,127	5,016	5,601
(d) Broadcasting service.....	17,429	18,052	18,814
(e) Television service.....	1,021	1,370	1,871
3. Cooperative programs with private organizations.....	573	621	656
4. Program direction and appraisal.....	2,631	2,829	2,845
5. Administration and staff support.....	5,884	6,258	6,441
6. Administrative support.....	11,818	12,305	13,030
Total obligations.....	99,564	103,485	110,600
Financing:			
Comparative transfers to other accounts.....	1,992	1,936	-----
Unobligated balance lapsing.....	1	-----	-----
New obligational authority.....	101,557	105,421	110,600
New obligational authority:			
Appropriation.....	101,557	102,557	110,600
Proposed supplemental due to pay increases.....	-----	2,864	-----

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 U.S. national objectives.

The increase of approximately \$7.1 million in program level will provide for (a) approximately \$5.6 million for overseas program expenses plus related media and other support services to meet increased costs in foreign countries and to allow some expansion in programs in foreign countries; (b) about \$396 thousand for expansion of worldwide television, motion pictures, and information center activities; (c) \$640 thousand for costs in connection with radio facilities; and (d) a net increase of \$464 thousand for domestic support activities related to the overall program.

1. *Overseas missions.*—The program is conducted through 224 posts in 101 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 U.S. foreign 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 editorial and feature materials for adaptation by overseas missions. It produces two monthly magazines titled "America Illustrated," one for distribution in the Soviet Union and one for distribution in Poland; and one bimonthly magazine "Al Hayat Fi America" (Life in America) in Arabic, sold on newsstands throughout the Arab world. The service also operates two regional printing centers and provides overseas missions with printing supplies and equipment.

(b) *Motion picture service* produces and acquires films which are translated into 40 foreign languages. It adapts films for specific country or area use, and directs 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 U.S. operated libraries and reading rooms and binational centers. The service provides all of these with collections of American books and other publications, both in English and in translations, 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. Emphasis is being placed on the expansion of the successful binational center program in 1962.

(d) *Broadcasting service* produces radio broadcasts in 35 foreign languages and in English. Programs originate from the United States and from one overseas location. It operates a total of 85 transmitters at 8 locations in the United States and at 8 overseas locations, with a combined radio frequency power output of over 8 million

UNITED STATES INFORMATION AGENCY—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

watts. The service also supplies the overseas missions with recorded radio programs and scripts, and with radio supplies and equipment.

(c) *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 people 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 analysis 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	39,777	43,336	44,960
Positions other than permanent.....	367	413	394
Other personnel compensation.....	2,006	2,013	1,932
Total personnel compensation.....	42,150	45,762	47,286
12 Personnel benefits.....	3,920	4,567	4,797
21 Travel and transportation of persons.....	4,008	3,699	3,879
22 Transportation of things.....	2,740	2,947	3,357
23 Rent, communications, and utilities.....	4,354	4,473	5,026
24 Printing and reproduction.....	1,958	1,726	1,681
25 Other services.....	13,501	13,616	14,746
Services of other agencies.....	13,363	13,933	14,850
26 Supplies and materials.....	7,126	6,399	7,277
31 Equipment.....	3,458	3,293	4,256
32 Lands and structures.....	56	56	56
41 Grants, subsidies, and contributions.....	2,925	3,012	3,387
42 Insurance claims and indemnities.....	5	2	2
Total obligations.....	99,564	103,485	110,600

Personnel Summary

Total number of permanent positions.....	10,278	10,370	10,505
Full-time equivalent of other positions.....	104	118	105
Average number of all employees.....	9,646	9,773	9,886
Number of employees at end of year.....	10,107	10,094	10,306
Average GS grade.....	9.5	9.5	9.6
Average GS salary.....	\$7,515	\$8,136	\$8,163
Grades established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Foreign Service reserve officer:			
Average grade.....	2.8	4.1	4.1
Average salary.....	\$13,018	\$11,223	\$11,249
Foreign Service staff officer:			
Average grade.....	5.8	6.3	6.3
Average salary.....	\$8,425	\$8,842	\$8,828
Average salary of ungraded positions:			
United States and possessions.....	\$6,822	\$7,545	\$7,681
Foreign countries: Local rates.....	\$1,833	\$1,913	\$1,993

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by sections 104(i) [and 104(j)], 104(j), and 104(r) of that Act, to remain available until expended, \$3,000,000 of which not less than \$2,011,600 shall be available only to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States \$8,500,000: *Provided*, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) unless such currencies are excess to the normal requirements of the United States: *Provided further*, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made for the purposes of such sections 104(i) and 104(j) is appropriated as of that date and shall be merged with this appropriation. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.*)

Note.—Estimate for 1962 includes \$2,182 thousand for activities previously carried under "Salaries and expenses." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Translation, publication, and distribution of books and other publications.....	2,642	4,514	6,120
2. Assistance to binational centers.....	498	2,792	1,598
3. Preparation, distribution, and exhibition of audio-visual informational and educational materials.....	844	832	2,200
Total obligations.....	3,984	8,138	9,918
Financing:			
Comparative transfers from (—) other accounts.....	—1,992	—1,936	—
Unobligated balance brought forward.....	—1,994	—4,788	—1,586
Adjustment due to change in exchange rates to permit conversion to dollar equivalents.....	78	—	—
Authorization to expend foreign currency receipts (net of proposed appropriation to cover balance as of June 30, 1960).....	2,617	—	—
Unobligated balance carried forward.....	4,788	1,586	168
Unobligated balance lapsing.....	100	—	—
New obligatory authority.....	7,581	3,000	8,500
New obligatory authority:			
Current indefinite.....	7,581	—	—
Current definite.....	—	3,000	8,500
Appropriation.....	7,581	3,000	8,500

Note.—The gross foreign currency authorization for 1960 was \$4,964 thousand. The schedule above covers foreign currency authorizations for 1960. The appropriation made for 1960 was equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 and 1962 relate to appropriations.

Foreign currencies derived from sales of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 (68 Stat. 454) are available to the U.S. Government for certain informational and cultural activities. The use of these currencies for such activities is now subject to the regular appropriation process. A dollar appropriation of \$8,500 thousand, to remain available until expended, for the purchase of these currencies, is therefore requested for 1962 and will be merged with appropriations previously made for this purpose.

The total request for 1962 will provide: \$4,897 thousand for the translation, publication, and distribution of American textbooks, Agency-produced periodicals and pamphlets, and other works; \$1,403 thousand for assistance to binational organizations in carrying out programs which

serve U.S. interests including the acquisition of adequate quarters as well as operating expenses; and \$2,200 thousand for other regular program expenses including, but not limited to, radio activities, television activities, information placement, posters, motion picture production and distribution, and overseas exhibits.

The Agency's regular annual appropriation for Salaries and expenses contains funds for the support of these programs for requirements such as paper for publications and film raw stock.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	904	1,030	1,202
Positions other than permanent.....	18		
Other personnel compensation.....	21	17	11
Total personnel compensation.....	943	1,047	1,213
21 Travel and transportation of persons.....	126	112	194
22 Transportation of things.....	50	51	126
23 Rent, communications, and utilities.....	197	174	511
24 Printing and reproduction.....	540	1,257	1,062
25 Other services.....	1,534	2,568	4,881
26 Supplies and materials.....	130	118	305
31 Equipment.....	15	19	30
41 Grants, subsidies, and contributions.....	449	2,792	1,596
Total obligations.....	3,984	8,138	9,918

Personnel Summary

Total number of permanent positions.....	820	830	960
Full-time equivalent of other positions.....	11		
Average number of all employees.....	808	820	940
Number of employees at end of year.....	796	810	920
Average salary of ungraded positions: Foreign countries: Local rates.....	\$1,102	\$1,241	\$1,252

Analysis of Foreign Currency Expenditures (in thousands of dollar equivalents)

Obligated balance brought forward.....	2,027		
Obligations incurred during year.....	1,992		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	-10		
Obligated balance transferred to appropriation.....	-2,793		
Expenditures.....	1,216		

Status of Unfunded Allocations (in thousands of dollar equivalents)

Unfunded balance brought forward.....	2,717		
Allocations.....	4,964		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	-79		
Unfunded balance transferred to appropriation.....	-156		
Unobligated balance lapsing.....	-100		
Transfers into Agency account.....	7,346		

【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" 【\$7,185,848】 \$9,000,000, to remain available until expended: *Provided*, That not to exceed a total of 【\$30,000】 \$57,000 may be expended for representation. (70 Stat. 778: *Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.*)

Note.—This item has been transferred from the funds appropriated to the President chapter. Estimate for 1962 excludes \$1 million for activities transferred in the estimates to "Salaries and expenses," Bureau of Foreign Commerce, Department of Commerce. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Trade fairs and exhibitions.....	3,829	4,859	5,126
2. Artistic and athletic presentations.....	2,551	2,479	2,950
3. Coordinator's contingency reserve.....			1,000
4. Universal and international exhibition of Brussels, 1958.....	21	36	
Total obligations.....	6,401	7,374	9,076
Financing:			
Comparative transfers to other accounts.....	549	594	
Unobligated balance brought forward.....	-1,862	-1,192	-552
Recovery of prior year obligations.....	-135	-50	-50
Unobligated balance carried forward.....	1,192	552	526
New obligational authority (appropriation).....	6,145	7,278	9,000
New obligational authority:			
Appropriation.....	6,145	7,186	9,000
Proposed supplemental due to pay increases.....		92	

The purpose of this program, heretofore known as the President's Special International Program, 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 U.S. economic and social system toward a peaceful and more fruitful life for its own people and other people throughout the world.

The appropriations for this program are proposed as the responsibility of the United States Information Agency because the Director of that Agency has been designated by the President to coordinate this program and allocate funds to appropriate agencies to carry it out. Executive Order No. 10716 is currently being amended to authorize the Agency to administer exhibits at international expositions as well as the Department of Commerce so that the United States can meet any kind of exhibit requirement authorized by the International Cultural Exchange and Trade Fair Participation Act of 1956. The United States Information Agency publicizes the projects abroad and absorbs the cost of such publicity and coordination.

1. *Trade fairs and exhibitions.*—The Departments of Commerce and Labor and the United States Information Agency provide United States exhibits and labor missions at important international fairs and other strategic locations overseas. Authorizations for 1960 provided for 14 trade fair and solo exhibits and 3 labor missions. This compares with 17 exhibits and 6 labor missions in 1961, and 14 exhibits and 10 labor missions in 1962. The trade mission program will be financed in 1962 by the Bureau of Foreign Commerce of the Department of Commerce, the amounts for 1960 and 1961 being shown as a comparative transfer in the estimates.

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 23 for 1960, and are estimated at 25 during 1961, and 43 during 1962.

3. *Coordinator's contingency reserve.*—Unforeseen, high priority requirements sometimes arise for which insufficient time is available to obtain appropriations. The estimates include \$1 million to be used for unforeseen needs

UNITED STATES INFORMATION AGENCY—Con.

Current authorizations—Continued

[PRESIDENT'S] SPECIAL INTERNATIONAL PROGRAM—Continued

at the discretion of the Director of the United States Information Agency.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
UNITED STATES INFORMATION AGENCY			
Reserve for future allocations.....			1,000
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	880	1,032	1,170
Positions other than permanent.....	42	93	66
Other personnel compensation.....	32	24	32
Total personnel compensation.....	954	1,149	1,268
12 Personnel benefits.....	58	82	90
21 Travel and transportation of persons.....	464	550	597
22 Transportation of things.....	355	582	478
23 Rent, communications, and utilities.....	267	399	338
24 Printing and reproduction.....	48	75	90
25 Other services.....	1,785	2,111	2,351
26 Supplies and materials.....	101	143	128
31 Equipment.....	29	40	46
41 Grants, subsidies, and contributions.....	2,340	2,243	2,690
Total, allocation accounts.....	6,401	7,374	8,076
Total obligations.....	6,401	7,374	9,076
Obligations are distributed as follows:			
Department of Commerce.....	3,783	4,758	4,926
Department of Labor.....	46	101	200
Department of State.....	2,572	2,515	2,950
United States Information Agency.....			1,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	125	130	159
Full-time equivalent of all other positions.....	5	10	6
Average number of all employees.....	124	137	151
Number of employees at end of year.....	127	137	159
Average GS grade.....	9.2	9.4	9.2
Average GS salary.....	\$7,596	\$8,050	\$8,309
Grades established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Foreign Service officer:			
Average grade.....	3.5	2.0	2.0
Average salary.....	\$12,283	\$16,682	\$17,035
Foreign Service staff:			
Average grade.....	6.0	6.0	6.0
Average salary.....	\$8,549	\$9,422	\$9,422
Average salary of ungraded positions: Foreign countries: Local rates.....	\$3,258	\$3,258	\$3,207

SPECIAL INTERNATIONAL PROGRAM (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of [Indian rupees] foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(m) [(A)] of that Act, to remain available until expended, [\$650,000] \$1,250,000, of which not to exceed [\$1,250] \$3,000 may be expended for representation: *Provided, That this appropriation shall be available only to purchase currencies which the*

Treasury Department shall determine to be excess to normal requirements of the United States. (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Trade fairs and exhibitions.....	1,221	1,701	250
2. Coordinator's contingency reserve.....			1,000
Total obligations.....	1,221	1,701	1,250
Financing:			
Comparative transfers from (-) other accounts.....	-1,221	-1,051	
New obligational authority (appropriation).....		650	1,250

Foreign currencies, excess to the normal requirements of the United States and derived from the sale of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are available for United States participation in international fairs and expositions which demonstrate our industrial and cultural attainments. Currencies purchased with this appropriation supplement similar activities carried out by the appropriation immediately above.

1. *Trade fairs and exhibitions.*—Certain local expenses were provided for participation in two fairs in 1960 and in three fairs in 1961. Participation in three fairs in 1962 is estimated. Responsibility for participation in agricultural fairs for foreign policy reasons has recently been transferred by Executive order to the United States Information Agency from the Department of Agriculture.

2. *Coordinator's contingency reserve.*—Unforeseen, high priority requirements sometimes arise for which insufficient time is available to obtain appropriations. The estimates include \$1 million to purchase excess currencies for unforeseen needs at the discretion of the director of the United States Information Agency.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
21 Travel and transportation of persons.....	235	237	23
22 Transportation of things.....	109	169	38
23 Rent, communications, and utilities.....	31	131	49
24 Printing and reproduction.....	1	8	
25 Other services.....	807	1,084	1,138
26 Supplies and materials.....	38	47	1
31 Equipment.....		25	1
Total obligations.....	1,221	1,701	1,250
Obligations are distributed as follows:			
Department of Agriculture.....	1,221	1,051	
Department of Commerce.....		650	250
United States Information Agency.....			1,000

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, [\$8,740,000] \$7,580,000, 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. (22 U.S.C. 1461, 1477; Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition and construction of facilities	1,559	19,921	14,876
2. Maintenance and improvement of existing facilities.....	604	1,065	608
3. Research and development.....	135	166	508
Total obligations.....	2,298	21,152	15,992
Financing:			
Unobligated balance brought forward.....	-14,122	-20,824	-8,412
Unobligated balance carried forward.....	20,824	8,412	-----
New obligational authority (appropriation)	9,000	8,740	7,580

These funds, which remain available until expended, will be used for—

1. *Acquisition and construction of facilities.*—Planned obligation of funds in 1961 is for completion of the transmitting facility at Greenville, N.C., and acquisition of land and contracting for preliminary work at the new relay station in Liberia. The balance of funds available for the Liberian facility is planned for obligation in 1962. In addition, funds are requested in 1962 for construction of housing for station personnel in Liberia, for substantially more powerful transmitters at our leased facilities in the United Kingdom, and for a transportable radio station to meet critical broadcasting needs on short notice.

2. *Maintenance and improvement of existing facilities.*—Recurring maintenance and improvement of existing facilities, and replacement of obsolete or worn-out equipment will continue at a reduced level compared to 1961.

3. *Research and development.*—Continuing basic research in engineering development and design of new equipment and expanded studies in radio propagation techniques with special emphasis on problems of specific application to the Voice of America require an increase in 1961.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
UNITED STATES INFORMATION AGENCY			
22 Transportation of things.....	4	321	285
25 Other services.....	1,174	15,276	7,287
26 Supplies and materials.....	161	266	152
31 Equipment.....	564	5,018	8,107
32 Lands and structures.....	-----	150	161
Total, United States Information Agency.....	1,903	21,031	15,992
ALLOCATION ACCOUNTS			
21 Travel.....	1	-----	-----
23 Rent, communications, and utilities.....	36	48	-----
24 Printing and reproduction.....	1	-----	-----
25 Other services.....	11	-----	-----
32 Lands and structures.....	346	73	-----
Total, allocation accounts.....	395	121	-----
Total obligations.....	2,298	21,152	15,992

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
United States Information Agency.....	1,903	21,031	15,992
Army.....	45	48	-----
General Services Administration.....	350	73	-----

【PHILIPPINE-AMERICAN CULTURAL FOUNDATION】

【For expenses necessary to carry out the provisions of section 1011(d) of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442(d)), \$1,365,740: *Provided*, That this amount shall be used for purchase of Philippine pesos from the special account for the informational media guarantee program.】 (Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grant to Philippine-American Cultural Foundation (total obligations) (object class 41).....	-----	1,366	-----
Financing:			
New obligational authority (appropriation).....	-----	1,366	-----

These funds are being used to purchase Philippine pesos generated by the informational media guarantee program to be used as a grant to the Philippine-American Cultural Foundation for the construction and equipment of a binational center building at Manila.

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Local Currency Operations, Austria

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	-----	5	-----
Adjustment of prior obligations in expired accounts.....	5	-----	-----
Obligated balance carried forward.....	-5	-----	-----
Expenditures.....	-----	5	-----

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
 "Administration," Ryukyu Islands, Army.
 "Educational exchange fund, payments by Finland, World War I debt," Department of State.
 "Educational fund, interest payments to the Government of India," Department of State.
 "Mutual security—economic," funds appropriated to the President.

Public enterprise funds:

【PAYMENT TO】 INFORMATIONAL MEDIA GUARANTEE FUND

For 【payment to】 the "Informational media guarantee fund", for partial restoration of realized impairment to the capital used in carrying on the authority to make informational media guarantees, as provided in section 1011 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1442), 【\$3,691,680】 \$3,550,000, to remain available until expended. (22 U.S.C. 1442; Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.)

UNITED STATES INFORMATION AGENCY—Con.

Public enterprise funds—Continued

[PAYMENT TO] INFORMATIONAL MEDIA GUARANTEE FUND—Con.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Far East.....	3,764	3,925	3,450
Africa.....		150	400
Near East and South Asia.....	1,600	1,650	1,500
Latin America.....			400
West Europe.....	516		
East Europe.....	2,037	2,200	2,350
Subtotal.....	7,917	7,925	8,100
Interest paid to Treasury.....	414	1,692	450
Total obligations.....	8,331	9,617	8,550
Financing:			
Amounts becoming available:			
Appropriation.....	2,750	3,692	3,550
Revenue and receipts:			
Dollar proceeds from sale of foreign currency purchased.....	4,347	3,609	4,143
Dollar proceeds from interest on foreign currency bank deposits.....	2		
Guarantee fees.....	106	106	108
Recovery of prior year obligations.....	1,379	1,571	1,017
Total amounts becoming available.....	8,584	8,978	8,818
Unobligated balance brought forward (au- thorization to expend from public debt receipts).....	494	747	108
Total amounts available.....	9,078	9,725	8,926
Unobligated balance carried forward (au- thorization to expend from public debt receipts).....	-747	-108	-376
Financing applied to program.....	8,331	9,617	8,550

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 U.S. dollar exchange (22 U.S.C. 1442). Under the program, foreign importers make payments to American exporters in foreign currency. The exporters then exchange their foreign currency for U.S. dollars through application to the U.S. Information Agency, in accordance with the terms of each exporter's informational media guarantee contract.

Program.—A small increase in the issuance of guarantee contracts is proposed for 1962 to permit taking advantage of opportunities for greater commercial distribution of American informational materials in East Europe, Africa, and Latin America. On the other hand, significant reductions in other countries in which currency stability is developing are planned.

The program provides for financing of interest on outstanding Treasury notes for the budget year only. This is in contrast with the 1961 program which provides for accrued interest for 3 years in order to eliminate deferred obligation of interest payments.

Financing.—No change in the method of financing is proposed for 1962. The appropriation requested will continue the current financing of interest which was begun in 1961, will permit the issuance of \$175 thousand in guarantees above the 1961 level and will reduce realized impairment to the fund by about \$120 thousand by the end of 1962.

Operating results.—In 1962 contracts will continue to be issued for commercial distribution of American informational materials in certain countries of Eastern Europe, Africa, the Near East and South Asia, and the Far East. Contracts will also be issued in certain countries of Latin America not heretofore included. In all cases, however, the program will be limited to those countries in which there are restrictions on the convertibility of the currency into dollars. Impairment of the fund will continue to result from the inability of the Treasury to sell some of the currencies purchased and from losses on currencies actually sold.

Realized losses through June 30, 1960 were (in thousands of dollars):

Cumulative realized losses.....	23,817
Appropriation for restoration.....	5,250

Realized deficit as of June 30..... 18,567

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase of foreign currency.....	6,228	7,181	7,112
Expense: Interest to Treasury.....	551	627	450
Increase in selected working capital.....		445	86
Total gross expenditures.....	6,779	8,253	7,648
Receipts from operations (funds provided):			
Dollar proceeds from sale of foreign currency.....	4,347	3,609	4,143
Dollar proceeds from interest on foreign currency bank deposits.....	2		
Revenue: Guarantee fees.....	106	106	108
Decrease in selected working capital.....	137		
Total receipts from operations.....	4,592	3,715	4,251
Budget expenditures.....	2,187	4,538	3,397

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue:			
Guarantee fees collected.....	106	106	108
Interest on foreign currency bank deposits:			
Realized.....	2		
Change in unrealized revenue.....	579		
Total revenue.....	687	106	108
Expense:			
Realized losses:			
Cost of foreign currency sold.....	6,068	4,765	5,433
Proceeds from sale of foreign currency.....	-4,347	-3,609	-4,143
Realized loss from sale of foreign currency.....	1,721	1,156	1,290
Allowance for unsaleable foreign currency to be transferred to Treasury.....	1,417	1,940	1,797
Interest on borrowings from Treasury.....	551	627	450
Subtotal, realized losses.....	3,689	3,723	3,537
Change in allowance for unrealized loss on currencies to be retained for sale.....	-174		
Total expenses.....	3,515	3,723	3,537
Net loss (-) for the year:			
Realized.....	-3,581	-3,617	-3,429
Unrealized.....	753		
Net loss (-) for the year.....	-2,828	-3,617	-3,429
Analysis of deficit (-):			
Deficit (-), beginning of year:			
Realized.....	-17,736	-18,567	-18,492
Unrealized.....	-564	189	189
Total deficit (-), beginning of year.....	-18,300	-18,378	-18,303

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Analysis of deficit (—)—Continued			
Appropriation for restoration of capital impairment.....	2,750	3,692	3,550
Deficit (—), end of year:			
Realized.....	—18,567	—18,492	—18,371
Unrealized.....	189	189	189
Total deficit (—), end of year.....	—18,378	—18,303	—18,182

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3	10	8
Foreign currency obtained from program operations (cost).....	3,446	4,445	4,184
Allowance for difference between cost and market value on—			
Currency to be retained for sale (—).....	—391	—391	—391
Currency to be transferred to Treasury (—).....	—673	—800	—730
Subtotal.....	2,382	3,254	3,063
Foreign currency obtained as interest on deposits.....	579	579	579
Subtotal, foreign currency, market value.....	2,961	3,833	3,642
Allowance for foreign currency to be transferred to Treasury (at market value) (—).....	—744	—1,140	—1,067
Net foreign currency.....	2,217	2,693	2,575
Total assets.....	2,220	2,703	2,583
Liabilities:			
Accounts payable.....	311	304	304
Interest payable to Treasury:			
Deferred liability.....	1,065		
Current liability.....		627	541
Total liabilities.....	1,376	931	845
Government investment:			
Interest-bearing capital:			
Start of year.....	19,811	19,222	20,075
Borrowings from Treasury during year, net.....	—589	853	—155
End of year.....	19,222	20,075	19,920
Realized deficit (—), end of year.....	—18,567	—18,492	—18,371
Unrealized gain, end of year.....	189	189	189
Total deficit (—), end of year.....	—18,378	—18,303	—18,182
Total Government investment.....	844	1,772	1,738

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	29	3	10	8
Budget authorization.....	8,177	8,765	7,912	8,067
Total unexpended balance.....	8,206	8,768	7,922	8,075
Obligated balance, net:				
Current liabilities.....	8	311	931	845
Contingent liabilities on guarantees outstanding.....	7,704	7,710	6,883	6,854
Total obligated balance.....	7,712	8,021	7,814	7,699
Unobligated balance.....	494	747	108	376

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans.....	7,917	7,925	8,100
43 Interest.....	414	1,692	450
Total obligations.....	8,331	9,617	8,550

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Overseas missions:			
(a) Department of State educational exchange program.....	2,091	2,415	2,749
(b) Miscellaneous services to other accounts.....	196	145	174
2. Media services:			
(a) Press and publications service.....	147	175	175
(b) Motion picture service.....	62	155	52
(c) Information center service.....	149	161	157
(d) Broadcasting service.....	21	14	14
3. Administrative support.....	489	549	600
4. Trade fairs and exhibitions.....	37		
5. Miscellaneous services to other accounts.....	206	282	282
Total obligations.....	3,398	3,896	4,203
Financing:			
Advances and reimbursements from—			
Other accounts.....	3,238	3,695	4,017
Non-Federal sources (40 U.S.C. 481(c)).....	160	201	186
Total financing.....	3,398	3,896	4,203

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,379	1,585	1,760
Other personnel compensation.....	68	82	87
Total personnel compensation.....	1,447	1,667	1,847
12 Personnel benefits.....	184	194	222
21 Travel and transportation of persons.....	255	294	314
22 Transportation of things.....	155	159	170
23 Rent, communications, and utilities.....	49	56	68
24 Printing and reproduction.....	20	19	23
25 Other services.....	280	253	258
Services of other agencies.....	695	831	882
26 Supplies and materials.....	159	182	189
31 Equipment.....	153	213	202
41 Grants, subsidies, and contributions.....	1	28	28
Total obligations.....	3,398	3,896	4,203

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	263	295	345
Number of employees end of year.....	0	0	0

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Act approved August 28, 1958 (72 Stat. 1090), including services as

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

authorized by the Act of August 2, 1946 (5 U.S.C. 55a), to remain available until June 30, 1963, **[\$1,550,000]** \$1,380,000. (*Public Works Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Resource development studies (total obligations).....	731	1,550	1,380
Financing:			
Unobligated balance lapsing.....	9		
New obligational authority (appropriation)	740	1,550	1,380

This Commission is conducting studies to provide the basis for a report on a comprehensive and integrated plan of development for the land and water resources in certain major river basins in the southeastern part of the country. The basic studies necessary for the preparation of a report will be substantially completed in 1962 with formal review and comment by the affected States and Federal agencies scheduled for completion in 1963.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	273	421	437
Other personnel compensation.....	15	14	13
Total personnel compensation.....	288	435	450
12 Personnel benefits.....	17	29	30
21 Travel and transportation of persons.....	22	26	26
22 Transportation of things.....	7	3	1
23 Rent, communications, and utilities.....	21	26	27
24 Printing and reproduction.....	1	4	15
25 Other services:			
Services of other agencies.....	177	849	697
Services of non-Federal agencies.....	178	171	125
26 Supplies and materials.....	7	6	8
31 Equipment.....	13	1	1
Total obligations.....	731	1,550	1,380

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	47	51	51
Average number of all employees.....	32	44	47
Number of employees at end of year.....	45	51	51
Grades established by head of agency:			
Average grade.....	9.8	9.9	9.9
Average salary.....	\$8,685	\$9,278	\$9,278

U.S. STUDY COMMISSION—TEXAS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of title II of the Act approved August 28, 1958, as amended (72 Stat. 1058, 73 Stat. 456), including services as authorized by the Act of August 2, 1946

(5 U.S.C. 55a), **to remain available until June 30, 1962, \$1,250,000]** \$540,000. (*Public Works Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Resource development studies (total obligations).....	769	1,325	540
Financing:			
Unobligated balance lapsing.....	31		
New obligational authority.....	800	1,325	540
New obligational authority:			
Appropriation.....	800	1,250	540
Proposed supplemental due to pay increases.....		75	

This Commission is conducting studies to provide the basis for a report on a comprehensive and integrated plan of development for the land and water resources in eight major river basins within the State of Texas. The basic studies will be substantially completed in 1961 with preparation of the report for formal review and comment by the State of Texas and the concerned Federal agencies scheduled for 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	244	417	325
Positions other than permanent.....	17	17	13
Total personnel compensation.....	261	433	338
12 Personnel benefits.....	12	19	13
21 Travel and transportation of persons.....	34	52	30
22 Transportation of things.....	10	1	3
23 Rent, communications, and utilities.....	22	24	20
24 Printing and reproduction.....	4	12	39
25 Other services.....	412	778	90
26 Supplies and materials.....	7	6	7
31 Equipment.....	7		
Total obligations.....	769	1,325	540

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	52	52	52
Full-time equivalent of other positions.....	1	1	2
Average number of all employees.....	28	45	35
Number of employees at end of year.....	48	52	0
Grades established by head of agency:			
Average GS grade.....	11.0	11.0	11.0
Average GS salary.....	\$8,788	\$9,290	\$9,290

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; and reimbursement of the General Services Administration for security guard service; and not to exceed \$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; **\$153,500,000]** \$162,046,000: *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. (5 U.S.C. 43, 46-46e, 54, 55a-56, 59a, 61b, 62, 70a-70b, 73b-73c, 75a-75a-1, 78, 78a-1, 84-84c, 86a, 87c, 118a, 118h, 118p, 118q, 140, 150, 835-840, 842, 851-869, 901-926, 943-945, 948, 1071-1075, 1081-1083, 1091-1094, 1101-1107, 1111-1115, 1121, 1123-1125, 1131-1133, 1181-1184, 2061-2066, 2091-2092, 2094, 2121-2123, 2131-2133, 2203(a)(7), 2204(24), 2254, 2301-2319, 3001-3014; 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, chs. 3, 33 (sec. 1665b), 55, 57, 59, 71; 72 Stat. 1262-1264; 41 U.S.C. 5; *Independent Offices Appropriation Act, 1961; title II, General Government Matters Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. General administration.....	12,627	13,653	14,450
2. Insurance:			
(a) Program planning and direction.....	2,479	2,684	2,813
(b) Field operations:			
(1) Executive administration.....	394	262	164
(2) Insurance operations.....	18,814	18,281	18,176
(3) Office services.....	3,835	4,475	4,631
3. Veterans benefits:			
(a) Program planning and direction.....	6,875	7,222	7,250
(b) Field operations:			
(1) Executive administration.....	2,697	2,906	2,948
(2) Contact.....	9,734	10,256	9,712
(3) Compensation and pensions.....	27,798	30,575	30,756
(4) Vocational rehabilitation and education.....	17,706	13,281	9,707
(5) Loan guarantee.....	16,096	14,968	16,666
(6) Guardianship.....	10,709	12,255	12,973
(7) Office services.....	32,022	32,129	30,458
Total operating costs.....	161,786	162,947	160,704
Capital outlay:			
1. General administration.....	598	28	103
2. Insurance.....	244	51	209
3. Veterans benefits.....	1,754	282	1,030
Total capital outlay.....	2,596	361	1,342
Total program costs.....	164,381	163,308	162,046
4. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....			
	-14	-45	
Total obligations.....	164,367	163,263	162,046
Financing:			
Unobligated balance lapsing.....	1,006		
New obligational authority.....	165,373	163,263	162,046
New obligational authority:			
Appropriation.....	165,373	153,500	162,046
Proposed supplemental due to pay increases.....		9,763	

This appropriation provides for all administrative expenses of the agency with the exception of those applicable to the Department of Medicine and Surgery.

A decrease of \$1,217 thousand in appropriation requirements is forecast for 1962. This decrease is attributed primarily to savings expected from planned expansion of automatic data processing systems and to declining workloads in the vocational rehabilitation and education program.

Supplemental appropriation requirements of \$1,300 thousand resulting from recent loan guarantee legislation (74 Stat. 533, 820, 1023) are shown under Proposed for

later transmission. An additional supplemental appropriation of \$9,763 thousand resulting from pay raise legislation (74 Stat. 296), will also be required.

1. *General administration.*—The Administrator and his top staff assistants provide the executive direction of the agency, establish basic policies, interpret laws pertaining to veterans' affairs and promulgate supplementary regulations, and direct and coordinate the activities of the operating departments. The Board of Veterans Appeals, established by statutory enactment, renders appellate decisions final in all cases other than insurance cases, in appeals to the Administrator on claims involving benefits under laws administered by the Veterans Administration.

2. *Insurance.*—Approximately 6 million veterans are insured under the U.S. 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 \$25.8 million in 1962. 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

[In thousands]

	1960 actual	1961 estimate	1962 estimate
U.S. Government life insurance.....	332	314	296
National service life insurance.....	6,031	5,928	5,826

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 (in thousands):

	1960 actual	1961 estimate	1962 estimate
Rating actions (disability).....	1,271	1,165	1,090
Authorization actions (disability).....	827	875	850
Rating actions (death).....	107	120	125
Authorization actions (death).....	659	698	696
Cases involving guardianship or fiduciary relationship.....	387	472	506
Field examinations.....	167	170	176

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 in thousands) are expected as follows:

	1960 actual	1961 estimate	1962 estimate
Korean conflict veterans.....	288	170	85
War orphans.....	7	10	12
Vocational rehabilitation trainees.....	9	7	6

Loan guarantee operations include issuance of certificates of loan guarantee 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:

	1960 actual	1961 estimate	1962 estimate
Guaranteed or insured loans closed.....	178,809	152,000	160,000
Direct loans closed and fully disbursed.....	27,998	18,100	20,650
Defaults processed.....	90,059	95,000	90,000
Claims paid.....	10,550	10,630	10,500
Loan and property acquisitions.....	11,116	10,950	10,850
Housing grants.....	345	430	430

VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

GENERAL OPERATING EXPENSES—Continued

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

	1959 actual	1960 actual	1961 estimate	1962 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).....	203	187	144	144
Advances (payments for goods and services on order not yet received).....	---	2	---	---
Total selected resources at end of year.....	203	189	144	144
Selected resources at start of year (—).....	---	-203	-189	-144
Costs financed from obligations of other years, net (—).....	---	-14	-45	---

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	125,591	129,100	127,877
Positions other than permanent.....	50	50	50
Other personnel compensation.....	4,623	2,642	2,122
Total personnel compensation.....	130,264	131,792	130,049
12 Personnel benefits.....	9,073	10,232	10,054
21 Travel and transportation of persons:			
Employees.....	2,536	2,812	2,810
22 Transportation of things.....	387	367	391
23 Rent, communications, and utilities.....	6,802	7,813	8,043
24 Printing and reproduction.....	2,125	1,813	2,026
25 Other services.....	5,962	3,878	3,052
Services of other agencies.....	22	60	95
26 Supplies and materials.....	2,156	1,986	2,088
31 Equipment.....	2,596	361	1,343
41 Grants, subsidies, and contributions.....	1,752	1,560	1,450
42 Insurance claims and indemnities.....	124	35	50
Total costs.....	164,381	163,308	162,046
Costs financed from obligations of other years, net (—).....	---	-14	-45
Total obligations.....	164,367	163,263	162,046

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	24,364	22,753	22,079
Full-time equivalent of other positions.....	10	10	10
Average number of all employees.....	22,975	21,591	20,706
Number of employees at end of year.....	22,847	21,456	20,101
Average GS grade.....	6.1	6.2	6.2
Average GS salary.....	\$5,469	\$6,086	\$6,206

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, [and expenses necessary for carrying out programs of medical research, as authorized by law, \$34,500,000, of which \$21,500,000 shall be available for medical research] \$15,053,000: *Provided*, That \$1,000,000 of the foregoing appropriations shall remain available until expended for prosthetic testing and development. (5 U.S.C. 43, 46-46e, 55a, 59a, 61b, 62, 70a-70b, 73b-73c, 75a-75a-1, 84-84c, 86a, 87c, 118a,

118h, 118p, 118q, 140, 150, 835-840, 842, 901-926, 943-945, 948, 1051-1053, 1181-1184, 2091-2092, 2094, 2121-2123, 2254, 2301-2319, 3001-3014; 24 U.S.C. 30; 28 U.S.C. 1823; 31 U.S.C. 686; 38 U.S.C. 109(a), 111, 213, 216, 230, 233, 234, 903, 1506, chs. 17, 73, 81, 83, 85; 72 Stat. 1262-1264; 41 U.S.C. 5; *Independent Offices Appropriation Act, 1961; title II, General Government Matters Appropriation Act, 1961.*)

Note.—Estimate of \$22,000 thousand for medical research activities previously carried under this title has been transferred in the estimates to "Medical care." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Medical, hospital, and domiciliary administration.....	8,078	9,404	10,518
2. Administration of the construction program.....	1,462	1,699	1,716
3. Prosthetic testing and development.....	733	1,306	985
4. Medical education and training.....	1,196	1,396	1,672
Total operating costs.....	11,469	13,805	14,891
Capital outlay:			
1. Medical, hospital, and domiciliary administration.....	81	55	57
2. Administration of the construction program.....	8	16	12
3. Prosthetic testing and development.....	15	15	15
4. Medical education and training.....	96	95	78
Total capital outlay.....	200	181	162
Total program costs.....	11,669	13,986	15,053
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	---	-295	---
Obligations incurred for costs of other years, net.....	302	---	---
Total obligations.....	11,971	13,691	15,053
Financing:			
Comparative transfer to other account.....	17,254	21,500	---
Unobligated balance brought forward.....	-66	-26	---
Unobligated balance carried forward.....	26	---	---
Unobligated balance lapsing.....	165	---	---
New obligational authority.....	29,349	35,165	15,053
New obligational authority:			
Appropriation.....	29,349	34,500	15,053
Proposed supplemental due to pay increases.....	---	665	---

2. *Administration of the construction program.*—This includes the general supervision over the design and construction of buildings, real property management, and accident and fire protection.

3. *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.

4. *Medical education and training.*—This covers (a) residency and internship training, (b) postgraduate and in-service training, and (c) medical illustration.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$328 thousand; 1959 (adjusted), \$320 thousand; 1960, \$622 thousand; 1961, \$327 thousand; 1962, \$327 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7,804	9,164	9,974
Positions other than permanent.....	274	327	327
Other personnel compensation.....	339	336	322
Total personnel compensation.....	8,417	9,827	10,623
12 Personnel benefits.....	544	684	740
21 Travel and transportation of persons:			
Employees.....	946	1,122	1,432
Beneficiaries.....	1	1	1
22 Transportation of things.....	38	55	63
23 Rent, communications, and utilities.....	160	175	287
24 Printing and reproduction.....	217	210	215
25 Other services.....	774	1,386	1,191
26 Supplies and materials.....	372	345	339
31 Equipment.....	197	178	159
32 Lands and structures.....	3	3	3
Total costs.....	11,669	13,986	15,053
Costs financed from obligations of other years, net (-).....		-295	
Obligations incurred for costs of other years, net.....	302		
Total obligations.....	11,971	13,691	15,053

Personnel Summary

Total number of permanent positions.....	1,026	1,112	1,216
Full-time equivalent of other positions.....	22	25	25
Average number of all employees.....	983	1,068	1,168
Number of employees at end of year.....	1,525	1,629	1,780
Average GS grade.....	9.2	9.2	9.2
Average GS salary.....	\$7,520	\$7,995	\$7,992
Average salary of ungraded positions.....	\$14,364	\$15,263	\$15,130

[INPATIENT] MEDICAL CARE

For expenses necessary for the maintenance and operation of hospitals and domiciliary facilities [and for the care and treatment of]; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Veterans Administration including care and treatment in facilities not under the jurisdiction of the Veterans Administration [as authorized by law, including the], and 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; medical research; purchase of [ninety-four] seventy-two passenger motor vehicles for replacement only; uniforms or allowances therefor as authorized by [the Act of September 1, 1954, as amended] law (5 U.S.C. 2131); and aid to State [or Territorial] homes 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; \$817,021,000; \$1,009,171,000, 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 disbursements 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.

[For an additional amount for "Inpatient care", \$4,185,000.] (5 U.S.C. 43, 46a-46e, 59a, 73b-73c, 75a-75a-1, 78, 78a-1, 84-84c, 86a, 87c, 118p, 118q, 150, 835-840, 842, 901-926, 943-945, 948, 1051-1058, 1181-1184, 2091-2092, 2094, 2121-2123, 2131-2133, 2254, 2301-2319, 3001-3014; 38 U.S.C. 109(a), 111, 216, 233, 234, 903, 1506, chs. 17, 73, 81, 85; 72 Stat. 1262-1264; 41 U.S.C. 5; Independent Offices Appropriation Act, 1961; title II, General Government Matters Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Note—Estimate for 1962 includes activities previously carried under "Outpatient care" and "Medical administration and miscellaneous operating expenses." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
Operating costs:			
1. Maintenance and operation of hospitals:			
(a) Neuropsychiatric hospitals.....	233,191	253,818	270,585
(b) Tuberculosis hospitals.....	39,768	32,356	33,468
(c) General medical hospitals.....	466,775	508,260	524,682
2. Contract hospitalization:			
(a) Civil hospitals.....	5,111	4,930	4,798
(b) Municipal and State hospitals.....	2,262	2,163	2,103
(c) Federal hospitals.....	7,618	7,832	8,516
3. Maintenance and operation of domiciliary facilities:			
(a) Veterans Administration homes.....	27,574	29,648	30,767
(b) State homes.....	6,128	6,446	7,574
4. Outpatient care.....	83,335	89,593	92,642
5. Medical research.....	14,162	17,465	18,659
Total operating costs.....	885,924	952,511	993,794
Capital outlay:			
1. Maintenance and operation of hospitals:			
(a) Neuropsychiatric hospitals.....	2,572	2,509	3,126
(b) Tuberculosis hospitals.....	729	524	563
(c) General medical hospitals.....	6,615	5,989	7,315
3. Maintenance and operation of domiciliary facilities: Veterans Administration homes.....	443	436	582
4. Outpatient care.....	361	441	450
5. Medical research.....	3,186	4,035	3,341
Total capital outlay.....	13,906	13,934	15,377
Total direct costs.....	899,830	966,445	1,009,171
Reimbursable costs:			
1. Maintenance and operation of hospitals:			
(c) General medical hospitals.....	4,270	4,000	4,200
4. Outpatient care.....	232	175	175
Total reimbursable costs.....	4,502	4,175	4,375
Total program costs.....	904,332	970,620	1,013,546
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	700		
Total obligations.....	905,032	970,620	1,013,546
Financing:			
Comparative transfers from (-) other accounts.....	-101,216	-111,709	
Advances and reimbursements from—			
Other accounts.....	-3,062	-3,000	-3,300
Non-Federal sources (74 Stat. 440).....	-1,208	-1,000	-1,075
Unobligated balance lapsing.....	1,344		
New obligational authority.....	800,889	854,911	1,009,171
New obligational authority:			
Appropriation.....	800,889	821,206	1,009,171
Proposed supplemental due to pay increases.....		33,705	

This appropriation provides for the cost of care and treatment of eligible beneficiaries at Veterans Administration hospitals, domiciliary homes, and outpatient clinics, contract hospitals, and State homes. Provision has also been made beginning in 1962 for funding medical research operations out of this appropriation.

To be eligible for inpatient 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

VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

[INPATIENT] MEDICAL CARE—Continued

facilities, for any other disability if the veteran is unable to defray the expenses of necessary hospital or domiciliary care. Outpatient medical and dental treatment is provided to veterans with service-connected disabilities by staffs of Veterans Administration outpatient clinics and by physicians and dentists participating in the hometown medical care program. It is also 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 in 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.

Medical services may be furnished on an outpatient basis for non-service-connected disabilities to veterans who have been determined to need hospital care and whose admission to a hospital has been scheduled, or who require posthospital treatment to complete hospital care.

Increases in 1962 are the result of: (a) an increase of 610 patients in Veterans Administration hospitals and 19 in contract hospitals, (b) activation of the new 1,000-bed neuropsychiatric hospital at Brecksville, Ohio, (c) transfer of charges for supply depot services from the appropriation for Maintenance and operation of supply depots, which is proposed for discontinuance, (d) an increase in staffing levels for improved physical facilities and to sustain quality medical care, (e) average salary increases resulting from periodic pay increases and reclassification actions, (f) cost of the new program of outpatient treatment before and after periods of hospitalization, as authorized by Public Law 86-639, (g) increased reciprocal per diem rates in Federal hospitals, (h) higher outpatient workloads, (i) increased costs of new prosthetic appliances, (j) increased Federal contribution toward the cost of operation of State soldiers' homes as authorized by Public Law 86-625, and (k) an expanded medical research program proposed for financing under this appropriation for the first time.

1. *Maintenance and operation of hospitals.*—This covers the operation of Veterans Administration hospitals. The estimated costs for 1962 exceed 1961 by \$36,483 thousand, and 1960 by \$90,019 thousand.

	1960 actual	1961 estimate	1962 estimate
Veterans Administration hospitals:			
Neuropsychiatric hospitals:			
Average number of operating beds..	55,201	55,862	56,709
Average daily patient load.....	52,427	52,650	53,388
Average employment.....	37,723	38,452	40,327
Employment per 100 patients.....	72.0	73.0	75.5
Tuberculosis hospitals:			
Average number of operating beds..	5,488	4,137	4,106
Average daily patient load.....	4,903	3,661	3,586
Average employment.....	6,159	4,668	4,726
Employment per 100 patients.....	125.6	127.5	131.8
General medical hospitals:			
Average number of operating beds..	59,568	61,150	61,237
Average daily patient load.....	54,078	55,329	55,276
Average employment.....	71,378	73,802	74,724
Employment per 100 patients.....	132.0	133.4	135.2
Total, Veterans Administration hospitals:			
Average number of operating beds.....	120,257	121,149	122,052
Average daily patient load.....	111,408	111,640	112,250
Average employment.....	115,260	116,922	119,777
Employment per 100 patients..	103.5	104.7	106.7

2. *Contract hospitalization.*—This covers the hospitalization in other Federal hospitals for service- and non-service-connected disabilities where Veterans Administration facilities are not available. It also covers the use of non-Federal hospitals which are limited to treatment of service-connected disabilities, except that female veterans, veterans in training under the provisions of 38 U.S.C. 1506, and veterans in U.S. possessions and the Republic of the Philippines may also receive treatment of non-service-connected disabilities. The increase in the estimated costs over 1961 is approximately \$492 thousand, and \$426 thousand over 1960.

	1960 actual	1961 estimate	1962 estimate
Average daily patient load:			
Civil hospitals.....	980	974	974
Municipal and State hospitals.....	652	633	633
Other Federal hospitals.....	1,316	1,328	1,347
Total.....	2,948	2,935	2,954

3. *Maintenance and operation of domiciliary facilities.*—This covers the cost of domiciliary care for veterans in 18 Veterans Administration facilities and in 33 State institutions. The increase in the estimated costs over 1961 is \$2,393 thousand and over 1960, \$4,778 thousand.

	1960 actual	1961 estimate	1962 estimate
Domiciliaries:			
Average number of operating beds....	17,486	17,320	17,320
Average daily member load:			
Veterans Administration domiciliaries.....	16,339	16,340	16,340
Veterans Administration hospitals..	517	510	510
State homes.....	9,418	9,450	9,450
Average employment.....	3,920	4,110	4,153
Employment per 100 members in Veterans Administration domiciliaries..	24.0	25.2	25.4

4. *Outpatient care.*—This provides for the cost of operation of 91 clinics, 54 of which are located at Veterans Administration hospitals. The increase in the estimated costs over 1961 is \$3,058 thousand, and over 1960 is \$9,339 thousand.

NUMBER OF MEDICAL VISITS AND DENTAL CASES

[In thousands]

	1960 actual	1961 estimate	1962 estimate
Number visits, medical.....	3,511	3,592	3,622
Examinations, dental.....	32	31	31
Treatments, dental.....	26	24	24
Total.....	3,569	3,647	3,677
In Veterans Administration facilities:			
Number visits, medical.....	2,264	2,341	2,355
Examinations, dental.....	27	26	26
Treatments, dental.....	18	17	17
Total.....	2,309	2,384	2,398
By private physicians and dentists:			
Number visits, medical.....	1,247	1,252	1,267
Examinations, dental.....	5	5	5
Treatments, dental.....	8	7	7
Total.....	1,260	1,264	1,279

5. *Medical research.*—The research program is directly related to patient care in view of the part it plays in facilitating recruitment and retention of qualified physicians for the hospital system. Projects are conducted at Veterans Administration hospitals and are supplemented by contracts with universities or other institutions when such arrangements are more economical or more advantageous. Research in the Veterans Administration is funded from three sources: (1) direct appropriation, \$21,500 thousand in 1961, (2) grants from the National

Institutes of Health and other organizations sponsoring research, \$4,500 thousand and (3) services provided from funds budgeted for hospital operations, \$3,100 thousand, making a total research program of \$29,300 thousand. In 1962, this total is expected to approximate \$31 million, with \$500 thousand of the increase funded from this activity and the remainder from National Institutes of Health grants.

In addition the appropriation for Construction of hospital and domiciliary facilities includes \$1,064 thousand for 4 projects to improve research laboratory facilities at existing hospitals and improved facilities will also be incorporated in the replacement hospitals for which construction funds are proposed in 1962. Salaries of physicians engaged in research on a part-time basis are financed from patient care, partially offset by support to hospital operations rendered by the research program, resulting in a net contribution of \$3,100 thousand to research in 1961 and 1962.

Language is proposed elsewhere in the budget which will permit National Institutes of Health grants to be made directly to Veterans Administration hospitals beginning in 1962, on the same terms and conditions as applied to non-Federal institutions.

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1,907 thousand; 1959 (adjusted), \$1,710 thousand; 1960, \$2,410 thousand; 1961, \$2,410 thousand; 1962, \$2,410 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	601,393	660,998	689,687
Positions other than permanent.....	37,316	38,985	39,698
Other personnel compensation.....	17,787	16,661	14,409
Total personnel compensation.....	656,496	716,644	743,794
Direct costs:			
11 Personnel compensation.....	653,225	713,580	740,577
12 Personnel benefits.....	43,117	47,702	49,504
21 Travel and transportation of persons.....	7,632	9,730	11,658
Employee travel.....	798	893	1,001
22 Transportation of things.....	1,108	1,072	1,101
23 Rent, communications, and utilities.....	16,281	16,341	16,640
24 Printing and reproduction.....	1,006	1,026	1,046
25 Other services.....	15,521	14,925	18,063
Contract hospitalization.....	14,991	14,925	15,417
Medical and dental fees.....	10,277	10,291	10,518
26 Supplies and materials.....	78,598	77,619	81,509
Provisions.....	46,603	47,461	48,691
31 Equipment.....	10,918	10,592	11,685
32 Lands and structures.....	2,986	3,342	3,692
41 Grants, subsidies, and contributions.....	6,128	6,446	7,574
Subtotal.....	909,195	975,945	1,018,676
Deduct quarters and subsistence charges.....	9,365	9,500	9,505
Total direct costs.....	899,830	966,445	1,009,171
Reimbursable costs:			
11 Personnel compensation.....	3,271	3,064	3,217
12 Personnel benefits.....	196	184	193
25 Other services.....	344	288	296
26 Supplies and materials.....	396	363	379
Provisions.....	295	276	290
Total reimbursable costs.....	4,502	4,175	4,375
Total costs.....	904,332	970,620	1,013,546
Obligations incurred for costs of other years, net.....	700		
Total obligations.....	905,032	970,620	1,013,546

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	128,018	130,738	134,244
Full-time equivalent of other positions.....	5,583	5,674	5,745
Average number of all employees.....	129,938	132,342	135,570
Number of employees at end of year.....	143,990	146,504	149,100
Average GS grade.....	4.6	4.6	4.6
Average GS salary.....	\$4,461	\$4,865	\$4,957
Average salary of ungraded positions.....	\$5,290	\$5,666	\$5,755

COMPENSATION AND PENSIONS

For the payment of compensation, pensions, gratuities, and allowances (including burial awards authorized by section 902 of title 38, United States Code, and subsistence allowances 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, [\$3,800,000,000] \$3,568,000,000, to remain available until expended. (72 Stat. 1263, 1264; 38 U.S.C. 1504, 3021, 3109, 3202 and 3203; 38 U.S.C. chs. 11, 13, 15, 23, and 55; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Compensation:			
(a) Living veterans:			
Spanish-American War.....	528	485	439
World War I.....	204,704	188,439	172,853
World War II.....	1,120,177	1,113,850	1,109,863
Korean conflict.....	179,447	182,032	183,040
Peacetime service.....	73,052	82,714	89,530
Subtotal.....	1,577,908	1,567,520	1,555,725
(b) Deceased veterans:			
Spanish-American War.....	1,411	1,245	1,110
World War I.....	63,606	62,304	61,261
World War II.....	310,886	305,393	300,997
Korean conflict.....	48,437	50,251	51,184
Peacetime service.....	46,759	51,239	55,848
Subtotal.....	471,099	470,432	470,400
Total, compensation.....	2,049,007	2,037,952	2,026,125
2. Pensions:			
(a) Living veterans:			
Yellow-fever experiments.....	5	5	5
Indian wars.....	80	66	52
Civil War.....	1		
Spanish-American War.....	44,962	41,076	36,918
World War I.....	780,336	927,773	1,046,726
World War II.....	79,513	93,472	103,981
Korean conflict.....	5,756	7,533	9,511
Peacetime service.....	47	43	41
Subtotal.....	910,700	1,069,968	1,197,234
(b) Deceased veterans:			
Mexican War.....	2	2	1
Indian wars.....	529	498	446
Civil War.....	3,122	2,842	2,534
Spanish-American War.....	61,019	58,653	57,057
World War I.....	250,250	295,805	312,217
World War II.....	36,226	79,678	140,438
Korean conflict.....	1,528	4,144	7,266
Peacetime service.....	13	11	10
Subtotal.....	352,688	441,633	519,969
Total, pensions.....	1,263,389	1,511,601	1,717,203

VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

COMPENSATION AND PENSIONS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Other:			
(a) Emergency officers.....	3,345	3,208	3,113
(b) Subsistence allowance.....	12,209	9,730	7,645
(c) Initial burial allowance.....	38,437	41,959	43,644
(d) Special allowance, dependents (72 Stat. 1128).....	99	100	100
(e) Invalid lifts (72 Stat. 1140).....		170	170
Total, other.....	54,091	55,167	54,672
Total program costs.....	3,366,487	3,604,720	3,798,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			
	964		
Total obligations.....	3,367,450	3,604,720	3,798,000
Financing:			
Unobligated balance brought forward.....	-2,170	-34,720	-180,000
Unobligated balance carried forward.....	34,720	230,000	
New obligational authority (appropriation)	3,400,000	3,800,000	3,568,000

This appropriation provides for compensation, pensions, and other related benefits and allowances that are authorized veterans and their survivors. On June 20, 1960, there were an estimated 22,534,000 living veterans of all wars and peacetime service and, as of that date 13.4% of these veterans, or 3,008,937, were receiving benefits under this appropriation. In addition, 1,261,985 dependents of 950,802 deceased veterans were receiving benefits. The increased cost is primarily attributable to the pension program and is caused largely by increases in caseloads of World War I veterans and their survivors; and by the impact of the Veterans' Pension Act of 1959. This law, effective July 1, 1960, modifies the pension program for veterans of World War I, World War II, and the Korean conflict and their widows and children, in the following major respects:

(1) A sliding scale of pension is provided based on specified income limitation and family status.

(2) Pension is provided for widows and children of World War II and Korean conflict veterans on the same basis as widows and children of World War I veterans by removing the requirement that the veteran must have had a service-connected disability at death.

(3) Pension for any war veteran receiving hospital or domiciliary care by the Veterans Administration will be reduced to \$30 after 2 months. The remainder of the pension may be apportioned for his wife and children. The act also provides that an invalid lift may be furnished, if medically indicated, for any veteran who receives pension based on a need for regular aid and attendance.

No pensioner on the rolls on June 30, 1960, will have his pension reduced by reason of this law. Pensioners may elect higher benefits under the law. It is estimated that the total additional cost of this legislation will approximate \$77 million in 1961, and this may decrease slightly in 1962.

74 Stat. 528, approved July 14, 1960, and effective September 1, 1960, provides an additional allowance for "housebound" service-connected disability cases and will cost approximately \$5 million during 1961 and \$6 million in 1962. 74 Stat. 820, approved September 8, 1960,

authorizes vocational rehabilitation to certain World War II veterans and is estimated to cost approximately \$600 thousand in 1961 and \$1,100 thousand in 1962. Other legislative proposals enacted during the second session of the Eighty-sixth Congress will not significantly affect the costs in 1961 and 1962.

1. *Compensation.*—Compensation is payable to living veterans for a 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.

(a) *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. 74 Stat. 528 establishes a new statutory rate of \$265 monthly, effective September 1, 1960, for certain seriously disabled veterans who are permanently "housebound" because of their service-connected disability or disabilities. An additional allowance is payable for dependents of veterans rated 50% or more disabled to a maximum of \$100 a month per case, plus \$12 monthly for each child in excess of three, as provided by 74 Stat. 165, effective August 1, 1960. All rates of peacetime disability compensation are 80% of wartime rates.

The caseload of living veterans reflects a decreasing trend through 1962, attributable primarily to termination of payments to World War II veterans with minimum ratings. The increased average payment, in 1961 and 1962, is primarily attributable to the higher rates payable to "housebound" cases as indicated above.

AVERAGE NUMBER OF VETERANS AND COSTS

	1960 actual	1961 estimate	1962 estimate
Spanish-American War.....	212	200	200
World War I.....	180,492	165,200	151,300
World War II.....	1,553,282	1,538,600	1,527,300
Korean conflict.....	205,427	206,000	207,000
Peacetime.....	99,417	110,000	119,000
Total.....	2,038,830	2,020,000	2,004,800
Average payment per case per year.....	\$774	\$776	\$776
Total costs (in thousands).....	\$1,577,908	\$1,567,520	\$1,555,725

(b) *Deceased veterans.*—The caseload continues to increase. The largest group in this category (World War II) appears to have reached a plateau which is maintained through 1962. The average payment per case is expected to continue the downward trend experienced in 1960.

AVERAGE NUMBER OF CASES AND COSTS

	1960 actual	1961 estimate	1962 estimate
Spanish-American War.....	926	800	700
World War I.....	45,827	44,000	42,900
World War II.....	274,688	274,500	274,000
Korean conflict.....	37,190	38,000	38,600
Peacetime service.....	30,421	33,100	35,800
Total.....	389,052	390,400	392,000
Average payment per case per year.....	\$1,211	\$1,205	\$1,200
Total costs (in thousands).....	\$471,099	\$470,432	\$470,400

2. *Pensions.*—Benefits are payable to wartime veterans and dependents of deceased veterans for non-service-connected disability and death. The effects of the Veterans' Pension Act of 1959 (73 Stat. 432), effective July 1, 1960, are reflected in the increased requirements estimated for 1961 and 1962.

(a) *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 attained 65 years of age. Effective July 1, 1960, a sliding scale of pensions is introduced based on income and family status, ranging from a minimum of \$40 monthly to a single veteran, with \$1,200 to \$1,800 annual income, to a maximum of \$100 monthly to a veteran with three or more dependents whose income is \$1,000 or less annually. These are increased by \$70 monthly when veteran needs regular aid and attendance.

The caseload continues to increase steadily with sizeable gains projected in the World War I category in 1961 and 1962. The rate of increase is greater in 1961 as a result of the initial effect of the new pension program. The average monthly payment will increase sharply in 1961, due to elections of higher rates, provided under the Veterans' Pension Act of 1959 for veterans with the greatest need, and due to an additional number of veterans not electing but who are entitled to receive higher monthly rates by attaining age 65. In 1962 a decrease in the average monthly payment is expected, since those veterans initially entitled under the Veterans' Pension Act of 1959 because of increases in the income limitation, will draw a lower monthly rate.

AVERAGE NUMBER OF VETERANS AND COST

	1960 actual	1961 estimate	1962 estimate
Yellow-fever experiments.....	2	2	2
Indian wars.....	54	45	35
Civil War.....	1		
Spanish-American War.....	35,770	32,600	29,300
World War I.....	802,609	914,300	1,040,600
World War II.....	85,780	95,500	107,700
Korean conflict.....	5,986	7,700	9,700
Peacetime service.....	251	225	215
Total.....	930,453	1,050,372	1,187,552
Average payment per case per year.....	\$979	\$1,019	\$1,008
Total costs (in thousands).....	\$910,700	\$1,069,968	\$1,197,234

(b) *Deceased veterans.*—Under the Veterans' Pension Act of 1959, pensions are payable to widows and children of World War II and Korean conflict veterans as indicated above. A sliding scale of pension based on income and family status is payable ranging from \$25 monthly to a maximum of \$105 monthly (plus \$15 for each additional child over 3).

The estimated caseload reflects a significant increase in 1961, primarily in the World War II and Korean conflict categories, where the effect of equalization with World War I is indicated. The average monthly payment increases sharply in 1961, due to elections of higher rates provided under the new pension program. In 1962 a decrease in the average payment is expected, since those veterans initially entitled under the new program because of the higher income limitation will receive a lower-than-average monthly rate.

AVERAGE NUMBER OF CASES AND COSTS

	1960 actual	1961 estimate	1962 estimate
Mexican War.....	4	3	2
Indian wars.....	720	670	600
Civil War.....	4,113	3,700	3,300
Spanish-American War.....	77,191	73,500	71,500
World War I.....	406,117	436,000	490,100
World War II.....	52,445	112,500	209,600
Korean conflict.....	2,093	5,100	11,200
Peacetime service.....	67	55	50
Total.....	542,750	631,528	786,352
Average payment per case per year.....	\$650	\$699	\$661
Total costs (in thousands).....	\$352,688	\$441,633	\$519,969

3. *Other*—(a) *Emergency officers.*—Emergency officers of World War I retired for service-connected disability are entitled to special retirement benefits at rates substantially higher than the normal compensation payments.

(b) *Subsistence allowance.*—Subsistence allowance payments to disabled veterans enrolled in vocational rehabilitation and education programs are made from this appropriation.

(c) *Initial burial allowance.*—Under present statutes the Administrator is authorized to provide an allowance of \$250 (plus transportation charges where death occurs under Veterans Administration care) for the funeral expenses of a deceased veteran. The estimated increases in obligations are directly related to the estimated increase in number of deaths of veterans in civil life.

(d) *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 a fully and currently insured individual under the Social Security Act. The award is based upon a certification to the Veterans Administration by the Social Security Administration.

(e) *Invalid lifts.*—The Administrator may furnish an invalid lift, if medically indicated, to any veteran in receipt of pension under chapter 15 of title 38, U.S. Code, based on the need of regular aid and attendance.

	1960 actual	1961 estimate	1962 estimate
Emergency officers.....	1,415	1,350	1,310
Subsistence allowance.....	8,727	7,000	5,500
Initial burial allowance ¹	150,200	166,000	173,900
Special allowance, dependents.....	(²)	(²)	(²)
Invalid lifts ¹		1,000	1,000
Total costs (in thousands).....	\$54,091	\$55,167	\$54,672

¹ Figures shown represent estimated fiscal year totals and not averages.

² Less than 100.

4. *Relation of costs to obligations.*—The year-end balances of refund receivables (overpayments collectible from beneficiaries) are as follows: 1959, \$5,419 thousand; 1960, \$6,383 thousand; 1961, \$6,383 thousand; 1962, \$6,383 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
42 Insurance claims and indemnities (total costs).....	3,366,487	3,604,720	3,798,000
Obligations incurred for costs of other years, net.....	964		
Total obligations.....	3,367,450	3,604,720	3,798,000

READJUSTMENT BENEFITS

For the payment of benefits to or on behalf of veterans as authorized by title II of the Servicemen's Readjustment Act of 1944, as amended, and chapters 21, 33, 35, 37, and 39 of title 38, United States Code, and for supplies, equipment, and tuition authorized by chapter 31 of title 38, United States Code, **[\$344,000,000]** \$80,376,000, to remain available until expended. (38 U.S.C. 3021; Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Education and training:			
(a) World War II education.....	208		
(b) Korean conflict veterans.....	371,411	217,206	108,306
(c) Orphans.....	11,457	15,922	19,734
Total, education and training.....	383,076	233,129	128,040

VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

READJUSTMENT BENEFITS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Loan guarantee: Direct payments.....	121,829	121,207	
3. Special assistance to disabled veterans:			
(a) Vocational rehabilitation.....	5,707	4,934	4,147
(b) Housing grants.....	3,352	4,171	4,171
(c) Automobiles or other conveyances for disabled veterans.....	624	560	480
Total, special assistance to dis- abled veterans.....	9,683	9,664	8,798
Total program costs.....	514,587	364,000	136,838
4. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—385		
Total obligations.....	514,202	364,000	136,838
Financing:			
Unobligated balance brought forward.....	—5,665	—76,463	—56,463
Unobligated balance carried forward.....	76,463	56,463	
New obligational authority (appropriation)	585,000	344,000	80,376

This appropriation provides education and training allowances for veterans of the Korean conflict, educational assistance allowances for eligibles under the War Orphans' Educational Assistance Act; for claim payments as well as loan and property acquisition costs on veterans loans; and special assistance to disabled veterans in the form of tuition and supplies and equipment for those requiring vocational rehabilitation, housing grants, and automobiles or other conveyances.

1. *Education and training.*—It is estimated that the number of Korean conflict veterans receiving benefits will decline. Indications point to an increase in orphan trainees. Forecasts of trainee loads based upon an analysis of trends in each of the major categories of training and average costs per trainee follow:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Korean conflict veterans:				
Higher learning.....	237,160	165,461	100,000	50,800
Below college.....	122,541	81,941	46,800	22,400
Correspondence.....	23,679	19,232	13,500	8,000
Institutional-on-farm.....	22,592	12,849	5,900	2,300
Job training.....	18,918	8,868	3,800	1,500
Total.....	424,890	288,351	170,000	85,000
Average cost per trainee.....	\$1,333	\$1,288	\$1,278	\$1,274
Orphans:				
Average number of trainees.....	4,486	6,915	9,650	11,960
Average cost per trainee.....	\$1,708	\$1,657	\$1,650	\$1,650

2. *Loan guarantee.*—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.

Direct payments.—Guarantee claims and costs of loan and property acquisitions are currently paid from this appropriation. Beginning in 1962, they will be paid from the new "Loan guarantee revolving fund," made available to the Administrator by 74 Stat. 533, enacted July 14, 1960, for all nonadministrative expenses of the loan guarantee program. The number and cost of payments

made in 1960 and estimated for 1961 are shown under the Loan guarantee revolving fund.

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 (in thousands of dollars):

	1960 actual	1961 estimate
Expenditures from appropriated funds.....	121,835	121,207
Less returns to general fund receipts.....	34,727	41,000
Net appropriation expenditures.....	87,108	80,207

Proceeds from liquidation of assets in 1962 and thereafter will be credited to the loan guarantee revolving fund referred to above, to help defray loan guarantee program costs.

As of June 30, 1960, cumulative expenditures for claims and acquisitions totaled \$570,258 thousand. However, total cash receipts of \$169,026 thousand had been returned to the Treasury. Against the resulting cash deficit of \$401,232 thousand, Veterans Administration held assets worth \$395,155 thousand, consisting of real property, cash and loans and accounts receivable. Actual 1960 and estimated 1961 operations are compared in the following statement, the 1962 estimates appearing under the Loan guarantee revolving fund.

CONDENSED STATEMENT OF INCOME AND EXPENSE AND FINANCIAL CONDITION

[In thousands of dollars]

	1960 actual	1961 estimate
Income:		
Sale of real estate and property rights.....	106,584	115,000
Interest on loans and claims.....	14,001	18,450
Other income.....	585	550
Total income.....	121,171	134,000
Expense:		
Direct operating costs.....	12,788	13,800
Cost of sales.....	99,261	108,000
Losses on acquired security and collateral.....	112	100
Total expense.....	112,161	121,900
Net income before adjustment.....	9,010	12,100
Less reserve for losses.....	8,155	9,241
Net income.....	855	2,859
Analysis of deficit (—):		
Deficit (—), beginning of year.....	—15,532	—14,681
Adjustment of prior year expense.....	—3	
Deficit (—), end of year.....	—14,681	—11,822
Assets:		
Cash.....	8,517	7,000
Loans receivable.....	315,575	398,767
Accounts receivable.....	4,968	4,850
Real estate owned and in process.....	66,095	66,000
Total assets.....	395,155	476,617
Liabilities:		
Accounts payable.....	2,442	2,400
Trust liabilities.....	5,529	4,000
Deferred and undistributed credits.....	633	600
Total liabilities.....	8,604	7,000
Government investment:		
Appropriation.....	570,258	691,465
Returned to general fund receipts.....	—169,026	—210,026
Net appropriation.....	401,232	481,439
Deficit (—).....	—14,681	—11,822
Total Government investment.....	386,552	469,617
Total liabilities and Government invest- ment.....	395,155	476,617

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 \$2 thousand 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:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Tuition:				
Average number of trainees paid tuition (job training excluded).....	9,117	7,002	5,710	4,560
Average cost per trainee.....	\$661	\$706	\$750	\$790
Total cost (in thousands).....	\$6,027	\$4,945	\$4,282	\$3,602
Supplies and equipment:				
Average number of trainees.....	11,439	8,727	7,000	5,500
Average cost per trainee.....	\$82	\$87	\$93	\$99
Total cost (in thousands).....	\$936	\$761	\$651	\$544
Housing grants:				
Number of housing grants.....	346	345	430	430
Average cost per grant.....	\$9,909	\$9,716	\$9,700	\$9,700
Total cost (in thousands).....	\$3,429	\$3,352	\$4,171	\$4,171
Automobiles or other conveyances:				
Number of conveyances.....	439	391	350	300
Average cost per conveyance.....	\$1,598	\$1,597	\$1,600	\$1,600
Total cost (in thousands).....	\$701	\$624	\$560	\$480

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Accounts receivable (benefit overpayments collectible).....	1,452	1,040	1,040	1,040
Unpaid authorizations (approved authorizations for paraplegic housing and automobiles or other conveyances).....	537	565	565	565
Total selected resources at end of year.....	1,990	1,604	1,604	1,604
Selected resources at start of year (—).....	—	—1,990	—1,604	—1,604
Costs financed from obligations of other years, net (—).....	—	—385	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
41 Grants, subsidies, and contributions.....	386,428	237,300	132,211
42 Insurance claims and indemnities.....	128,160	126,700	4,627
Total costs.....	514,587	364,000	136,838
Costs financed from obligations of other years, net (—).....	—	—385	—
Total obligations.....	514,202	364,000	136,838

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, for national service life insurance, for servicemen's indemnities, and for service-disabled veterans insurance, [\$48,800,000] \$39,200,000, to remain available until expended: Provided, That certain premiums provided by law to be credited to the "Military and naval insurance" or "National service life insurance" appropriations shall hereafter be credited to appropriations granted under this head which shall be subject to the same statutory provisions and shall be available for the same purpose as formerly applied to the 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Military and naval insurance:			
(a) Payment to "United States Government life insurance fund".....	324	545	545
(b) Direct payments to policyholders and beneficiaries.....	3,437	3,450	3,450
Total, military and naval insurance.....	3,761	3,995	3,995
2. National service life insurance:			
(a) Payment to "National service life insurance fund".....	10,296	9,895	9,512
(b) Direct payments to policyholders and beneficiaries.....	753	755	775
Total, national service life insurance.....	11,049	10,650	10,287
3. Service-disabled veterans insurance: Payment to "Service-disabled veterans insurance fund".....	500	1,000	1,300
4. Servicemen's indemnities: Payments to beneficiaries.....	35,890	32,734	29,605
5. Other expense.....	5	—	—
Total operating costs.....	51,205	48,379	45,187
Capital outlay:			
Acquisition of loans and liens, net.....	62	50	50
Payments effected by income offset (—).....	—46	—	—
Total capital outlay.....	16	50	50
Total program costs—obligations.....	51,221	48,429	45,237
Financing:			
Unobligated balance brought forward.....	—1,891	—4,361	—5,382
Unobligated balance carried forward.....	4,361	5,382	—
New obligational authority.....	53,691	49,450	39,855
New obligational authority:			
Annual definite.....	53,000	48,800	39,200
Permanent indefinite.....	691	650	655
Appropriation.....	53,691	49,450	39,855

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. Payments are made also to the United States Government life insurance fund for claims (1) traceable to extra hazards of military service and (2) for claims while insured was under premium waiver provisions in active military service.

(a) *Payment to "United States Government life insurance fund."*—Transfers are made to reimburse the fund for the above purposes.

Description	1960 actual	1961 estimate	1962 estimate
Death and disability awards.....	269	320	320
Average payment per award.....	\$1,198	\$1,687	\$1,687

(b) *Direct payments to policyholders and beneficiaries.*

(1) *Disability awards.*—Payments of \$5.75 per month per \$1 thousand of war-risk insurance held are made to veterans becoming permanently and totally disabled for as long as the disability shall continue.

VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

VETERANS INSURANCE AND INDEMNITIES—Continued

(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	1960 actual	1961 estimate	1962 estimate
Average number of disability awards.....	6,500	6,400	6,300
Average number of death awards.....	40	25	25
Annual average payment per disability award..	\$535	\$535	\$535
Annual average payment per death award.....	\$435	\$1,000	\$1,000

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. (38 U.S.C. 802(c)(2)).

(a) *Payment to "National service life insurance fund".*—

(1) For death claims traceable to extra hazards 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.

Description	Average payment per case, 1960	Caseload		
		1960 actual	1961 estimate	1962 estimate
(1) Claims for extra hazards of service:				
Death awards.....	\$6,644	507	495	755
Disability awards.....	142	22,620	21,400	20,250
(2) Gratuitous insurance.....	3,121	317	275	242
(3) Waiver of overpayments.....	2,323	5	20	20
(4) Death while under waiver of premiums.....	8,288	327	300	275

(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, 1960	Caseload		
		1960 actual	1961 estimate	1962 estimate
(1) Claims on nonparticipating national service life insurance:				
Death awards.....	\$2,222	107	104	97
Disability awards.....	446	200	265	335
(2) Claims from applicants rejected for medical reasons who died in line of duty..	272	240	200	200
(3) Claims where applicant died between date of application and effective date..	515	313	300	290
(4) Claims on discontinued insurance.....	489	305	295	285

3. *Service-disabled veterans insurance.*—Payments are 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. The amount estimated for this program in 1962 is \$1,300 thousand.

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 in the amount of \$10 thousand less any national service life insurance and/or U.S. Government life insurance carried by the deceased. Payments are made to beneficiaries in 120 equal installments, plus interest at the rate of 2.25% per year. The payments on awards was \$35,900 thousand in 1960. Payments will decrease annually, as installments are completed beginning 1961.

Description	1960 actual	1961 estimate	1962 estimate
Average number of death cases with running awards.....	35,399	30,720	27,040

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans.....	62	50	50
41 Grants, subsidies, and contributions:			
Payment to "United States Government life insurance fund".....	324	545	545
Payment to "National service life insurance fund".....	10,296	9,895	9,512
Payment to "Service-disabled veterans insurance fund".....	500	1,000	1,300
42 Insurance claims and indemnities.....	40,085	36,939	33,830
Subtotal.....	51,267	48,429	45,237
Less payments effected by income offset.....	46		
Total obligations.....	51,221	48,429	45,237

GRANTS TO THE REPUBLIC OF THE PHILIPPINES

For payment to the Republic of the Philippines of grants in accordance with sections 631 to 634 of title 38, United States Code, for expenses incident to medical care and treatment of veterans, **[\$1,500,000] \$1,000,000.** (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Medical care and treatment of veterans (total costs—obligations) (object class 41).....	714	1,000	1,000
Financing:			
Unobligated balance lapsing.....	1,286	500	
New obligational authority (appropriation)	2,000	1,500	1,000

Grants-in-aid are made to the Republic of the Philippines for the medical care and treatment of eligible Philippine Commonwealth Army veterans. Section 631 of title 38, U.S. Code, provides for reimbursement at agreed upon patient per diem rates up to a maximum annual amount of \$2 million. Medical care and treatment is provided by the Philippine Veterans Memorial Hospital in Manila, which was constructed from U.S. grants-in-aid totaling approximately \$9,400 thousand.

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 5001, 5002, and 5004, title 38, United States Code, \$75,000,000, to remain available until ex-

ended: *Provided, That the limitation under the head "Hospital and domiciliary facilities" in the Independent Offices Appropriation Act, 1957, on the amount available for technical services for replacement of the general medical and surgical hospital at Nashville, Tennessee, is reduced from "\$1,500,000" to "\$921,600". (Independent Offices Appropriation Act, 1961.)*

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Hospitals:									
(a) New.....	198,761	122,443	20,476	9,354	13,690	47,016	32,798	-528	-----
(b) Replacement.....	259,282	18,104	12,877	18,477	15,427	31,576	54,802	38,653	139,595
(c) Modernization.....	170,669	46,928	21,578	30,847	32,958	34,276	34,448	33,130	3,910
(d) Other improvements.....	25,336	4,291	2,821	6,526	5,674	7,411	5,494	3,757	530
2. Regional offices and supply depots.....	438	193	148	93	4	16	-----	-12	-----
Total program costs.....	654,486	191,959	57,900	65,297	67,753	120,295	127,542	75,000	144,035
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....			-23,178	-----	-----				
Obligations incurred for costs of other years, net.....			-----	19,003	17,247				
Total obligations.....			34,722	84,300	85,000				
Financing:									
Unobligated balance brought forward.....			-65,124	-62,061	-52,761				
Unobligated balance carried forward.....			62,061	52,761	42,761				
New obligational authority (appropriation).....			31,659	75,000	75,000				

These funds provide for the construction of new hospital and domiciliary facilities and replacement of existing hospitals and domiciliaries, including acquisition of sites, modernization and other improvements at existing facilities (including regional offices and supply depots) and for fixed and initial portable equipment at such facilities.

A construction program of \$77,913 thousand in new starts is recommended for 1962 to be financed with new obligational authority of \$75 million plus savings of \$2,913 thousand from existing obligational authority. The amount for construction of replacement hospitals includes \$11,200 thousand for a 500-bed general hospital to be located at Charleston, S.C., \$26,053 thousand for a 1,250-bed general hospital at Wood, Wis. (Milwaukee), \$1,228 thousand for planning a 580-bed general hospital at Atlanta, Ga., and \$750 thousand for planning the replacement of approximately 1,000 beds in the Los Angeles, Calif., area. The amount for modernization totals \$34,411 thousand for projects for which planning funds were previously appropriated and \$339 thousand for planning funds on new projects estimated to cost \$4,249 thousand. Other improvements total \$3,932 thousand for new projects estimated to cost \$4,462 thousand.

The above program provides for fallout shelter facilities in accordance with the Government's policy to provide such facilities in connection with new construction. Funds requested for the replacement hospitals include \$24 thousand for planning the Atlanta, Ga., fallout shelter facilities and for the full cost of facilities as follows—\$300 thousand at Charleston, S.C., and \$537 thousand at Wood, Wis. The requests for modernization and other improvements include \$4 thousand for planning and \$11 thousand for the full cost respectively, of fallout facilities at the White River Junction, Vt., and Syracuse, N.Y., projects.

1. *Hospitals*—(a) *New*.—This activity includes post-World War II new beds and conversion programs which consist of 77 projects that provide approximately 38,240 new beds and 12 projects for conversion of beds at existing hospitals. The status of this program follows:

STATUS OF NEW BEDS PROVIDED

	1960 actual	1961 estimate	1962 estimate
Under construction, beginning of year....	2,000	1,000	1,500
Put under construction during the year..	-----	1,500	-----
Completed during the year.....	1,000	1,000	-----
Total completed, end of year.....	35,740	36,740	36,740
Under construction, end of year.....	1,000	1,500	1,500
Not under construction, end of year.....	1,500	-----	-----

(b) *Replacement*.—This activity includes 13 projects that provide for replacement of approximately 9,872 beds (815 neuropsychiatric, 9,057 general medical and surgical) housed in temporary, obsolete or hazardous structures. The status of this program follows:

STATUS OF REPLACEMENT BEDS PROVIDED

	1960 actual	1961 estimate	1962 estimate
Under construction, beginning of year....	1,315	1,815	1,500
Put under construction during the year..	500	500	1,750
Completed during the year.....	-----	815	500
Total completed, end of year.....	561	1,376	1,876
Under construction, end of year.....	1,815	1,500	2,750
Not under construction, end of year.....	7,496	6,996	5,246

(c) *Modernization*.—This provides for needed modernization of pre-World War II hospitals to bring them, insofar as possible, up to the standards of the new hospitals. The status of this program follows (dollars in thousands):

VETERANS ADMINISTRATION—Continued

Current authorizations—Continued

CONSTRUCTION OF HOSPITAL AND DOMICILIARY FACILITIES—CON.

STATUS OF MODERNIZATION PROGRAM

	Number of projects	Total estimated cost of projects
Physically and financially completed, June 30, 1960..	136	\$35,792
Physically completed, June 30, 1960.....	17	18,186
Under construction, June 30, 1960.....	42	69,082
Scheduled to be placed under construction, 1961.....	19	27,469
Scheduled to be placed under construction, 1962.....	22	42,323
To be placed under construction after 1962.....	4	4,206

(d) *Other improvements.*—This provides for needed improvements at hospitals other than modernization. The status of this program follows (dollars in thousands):

STATUS OF OTHER IMPROVEMENTS PROGRAM

	Number of projects	Total estimated cost of projects
Physically and financially completed, June 30, 1960..	381	\$19,638
Physically completed, June 30, 1960.....	25	2,677
Under construction, June 30, 1960.....	107	3,915
Scheduled to be placed under construction, 1961.....	117	7,307
Scheduled to be placed under construction, 1962.....	37	4,880
To be placed under construction after 1962.....	17	3,477

2. *Regional offices and supply depots.*—This provides for necessary construction at regional offices and supply depots. No new projects are proposed in 1962.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances for goods and services on order not yet received).....	69,706	46,528	65,534	82,781
Advances (payments for goods and services on order not yet received).....	2,003	2,003	2,000	2,000
Total selected resources at end of year.....	71,709	48,531	67,534	84,781
Selected resources at start of year (—).....		-71,709	-48,531	-67,534
Costs financed from obligations of other years, net (—).....		-23,178		
Obligations incurred for costs of other years, net.....			19,003	17,247

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
VETERANS ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	1,805	2,260	2,374
Positions other than permanent.....	201	312	312
Other personnel compensation.....	20	15	6
Total personnel compensation.....	2,026	2,587	2,692
12 Personnel benefits.....	123	173	181
21 Transportation of persons.....	63	100	100
22 Travel and transportation of persons.....		1	1
23 Rent, communications, and utilities.....	12	12	12
24 Printing and reproduction.....	21	21	21
25 Other services.....	1,635	3,278	3,827
26 Supplies and materials.....	336	500	500
31 Equipment.....	2,118	3,602	4,052
32 Lands and structures.....	51,559	54,973	56,300
Total costs, Veterans Administration.....	57,893	65,247	67,686

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation: Permanent positions.....	6		
25 Other services.....	1		
Total costs, Corps of Engineers—Civil.....	7	50	67
Total costs.....	57,900	65,297	67,753
Costs financed from obligations or other years, net (—).....	-23,178		
Obligations incurred for costs of other years.....		19,003	17,247
Total obligations.....	34,722	84,300	85,000

Personnel Summary

VETERANS ADMINISTRATION			
Total number of permanent positions.....	293	313	318
Full-time equivalent of other positions.....	32	50	50
Average number of all employees.....	274	341	354
Number of employees at end of year.....	360	365	375
Average GS grade.....	8.9	8.9	9.0
Average GS salary.....	\$7,223	\$7,651	\$7,734
Average salary of ungraded position.....	\$6,240	\$6,240	\$6,240
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
Total number of permanent positions.....	2		
Average number of all employees.....	1		
Number of employees at end of year.....	0		
Average GS grade.....	6.5		
Average GS salary.....	\$5,802		

【OUTPATIENT CARE】

【For expenses necessary for furnishing outpatient care to beneficiaries of the Veterans Administration, as authorized by law; purchase of two passenger motor vehicles for replacement only; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131); \$86,481,000.】 (5 U.S.C. 46a-46e, 59a, 73b, 73b-2, 73c, 84-84c, 87c, 118p, 118q, 150, 835-840, 842, 901-926, 943-945, 948, 2091-2092, 2094, 2121-2123, 2131-2133, 2254, 3001-3014; 38 U.S.C. 109(a), 111, 1506, chs. 17, 73, 81; 72 Stat. 1262-1264; 41 U.S.C. 5; Independent Offices Appropriation Act, 1961; title II, General Government Matters Appropriation Act, 1961.)

Note.—Estimate for 1962 of \$93,092 thousand for activities previously carried under this title has been transferred in the estimates to "Medical care." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	83,962	90,209	
Advances and reimbursements from—			
Other accounts.....	-144	-100	
Non-Federal sources (74 Stat. 440).....	-88	-75	
Unobligated balance lapsing.....	136		
New obligational authority.....	83,866	90,034	
New obligational authority:			
Appropriation.....	83,866	86,481	
Proposed supplemental due to pay increases.....		3,553	

[MAINTENANCE AND OPERATION OF SUPPLY DEPOTS]

[For expenses necessary for maintenance and operation of supply depots, and uniforms or allowances therefor, as authorized by law (5 U.S.C. 2131), \$2,500,000.] (5 U.S.C. 46a-46e, 59a, 73b-73c, 75a-75a-1, 78, 78a-1, 84-84c, 86a, 87c, 118p, 118q, 150, 835-840, 842, 901-926, 943-945, 948, 2091-2092, 2094, 2121-2123, 2131-2133, 2254, 3001-3014; 38 U.S.C. chs. 3, 73, and subch. II of ch. 81; *Independent Offices Appropriation Act, 1961*; title II, *General Government Matters Appropriation Act, 1961*.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administrative operations.....	312	372	-----
2. Storage operations.....	801	822	-----
3. Stock control operations.....	286	383	-----
4. Utility operations.....	414	532	-----
5. Marketing activities.....	435	490	-----
Total program costs ¹	2,249	2,599	-----
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-6	-----
Obligations incurred for costs of other years, net.....	5		-----
Total obligations.....	2,254	2,593	-----
Financing:			
Unobligated balance lapsing.....	12		-----
New obligational authority.....	2,266	2,593	-----
New obligational authority:			
Appropriation.....	2,266	2,500	-----
Proposed supplemental due to pay increases.....		93	-----

¹ Includes acquisition of capital assets as follows: 1960, \$28 thousand; 1961, \$44 thousand.

This appropriation has been financing the cost of operating the three supply depots. Beginning in 1962, this cost will be included as an expense of the self-supporting Veterans' Administration Supply fund.

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand; 1960, \$6 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
II Personnel compensation:			
Permanent positions.....	1,862	2,042	-----
Other personnel compensation.....	38	30	-----
Total personnel compensation.....	1,900	2,072	-----
12 Personnel benefits.....	131	162	-----
21 Travel and transportation of persons.....	8	8	-----
22 Transportation of things.....	3	2	-----
23 Rent, communications, and utilities.....	55	88	-----
24 Printing and reproduction.....	18	20	-----
25 Other services.....	28	112	-----
26 Supplies and materials.....	76	91	-----
31 Equipment.....	27	43	-----
32 Lands and structures.....	1	1	-----
Total costs.....	2,249	2,599	-----
Costs financed from obligations of other years, net (-).....		-6	-----
Obligations incurred for costs of other years, net.....	5		-----
Total obligations.....	2,254	2,593	-----

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	391	390	-----
Average number of all employees.....	363	372	-----
Number of employees at end of year.....	364	373	-----
Average GS grade.....	6.1	6.1	-----
Average GS salary.....	\$5,269	\$5,686	-----
Average salary of ungraded positions.....	\$4,963	\$5,365	-----

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Emergency supplies and equipment," Office of Civil and Defense Mobilization.
 "National Cancer Institute," Public Health Service.
 "Payments to school districts," Office of Education.
 "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.

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] The appropriation available to the Veterans Administration for the current fiscal year for ["Inpatient care" and "Outpatient care"] "Medical care" shall be available for funeral, burial, and other expenses incidental thereto (except burial awards authorized by 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, 1961*.)

Public enterprise funds:

CANTEEN SERVICE REVOLVING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
Sales program:			
Cost of goods sold.....	27,182	28,962	29,207
Direct operating expense.....	9,194	9,988	10,102
Indirect operating expense.....	1,499	1,670	1,676
Decrease in allowance for depreciation (-).....	-1,057		-----
Total operating costs.....	36,818	40,620	40,985
Unfunded adjustments to total operating costs:			
Depreciation included above (-).....	-449	-483	-508
Decrease in allowance for depreciation.....	1,057		-----
Total operating costs, funded.....	37,426	40,137	40,477

VETERANS ADMINISTRATION—Continued

Public enterprise funds—Continued

CANTEEN SERVICE REVOLVING FUND—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Capital outlay: Sales program: Purchase of equipment.....	672	669	779
Total program costs, funded.....	38,098	40,806	41,256
Relation of costs to obligations: Obligations incurred for costs of other years, net.....	726	283	-----
Total obligations.....	38,824	41,089	41,256
Financing:			
Amounts becoming available: Revenue and receipts:			
Sale of commodities.....	38,581	40,809	41,156
Other receipts.....	135	141	142
Total amounts becoming available.....	38,716	40,950	41,298
Unobligated balance brought forward.....	2,864	2,291	2,111
Total amounts available.....	41,580	43,241	43,409
Capital transfer (payment of earnings to Treasury) (—).....	—465	—41	—21
Unobligated balance carried forward.....	—2,291	—2,111	—2,132
Financing applied to program.....	38,824	41,089	41,256

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.—Sales are expected to be \$40,809 thousand in 1961 and it is estimated sales will be \$41,156 thousand during 1962. Operating costs increased as a result of the Federal employees health benefits program and the Federal Employees Salary Increase Act of 1960.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Commodities for sale.....	3,813	4,298	4,583	4,583
Unpaid undelivered orders.....	808	1,052	1,050	1,050
Prepaid expense and other assets.....	13	10	10	10
Total selected resources at end of year.....	4,634	5,360	5,643	5,643
Selected resources at start of year (—).....	—4,634	—5,360	—5,643	-----
Obligations incurred for costs of other years, net.....	-----	726	283	-----

Financing.—Operations are financed from current revenue. The Congress originally appropriated a total of \$4,965 thousand to establish and operate the Service. Funds in excess of the needs of the Service totaling \$6,824 thousand have been paid to the Treasury as of June 30, 1960.

Operating results and financial condition.—Operating revenue is expected to be sufficient to cover operating expense. Funds at the close of the fiscal year in excess of the needs of the Service for the ensuing fiscal year will be paid to the Treasury.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment.....	672	669	779
Expense:			
Purchase of commodities for sale.....	27,668	29,247	29,207
Direct operating expense.....	8,757	9,518	9,608
Indirect operating expense.....	1,487	1,657	1,662
Increase in selected working capital.....	-----	67	-----
Total gross expenditures.....	38,584	41,158	41,256
Receipts from operations (funds provided):			
Sales program: Revenue.....	38,581	40,809	41,156
Proceeds from sale of equipment.....	24	20	20
Miscellaneous revenue.....	111	121	122
Decrease in selected working capital.....	630	-----	36
Total receipts from operations.....	39,346	40,950	41,334
Budget expenditures	—762	208	—78

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Sales program:			
Revenue.....	38,581	40,809	41,156
Expense.....	37,875	40,620	40,985
Net operating income, sales program.....	706	189	171
Nonoperating income or loss (—):			
Proceeds from sale of equipment.....	24	20	20
Net book value of assets sold (—).....	—54	—40	—25
Net loss (—) from sale of equipment.....	—30	—20	—5
Miscellaneous revenue.....	111	121	122
Net nonoperating income.....	81	101	117
Net income for the year.....	787	290	288
Analysis of retained earnings:			
Retained earnings, beginning of year.....	9,159	10,538	10,787
Payment of earnings to Treasury (—).....	—465	—41	—21
Prior year adjustment of allowance for depreciation.....	1,057	-----	-----
Retained earnings, end of year.....	10,538	10,787	11,054

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury, in banks, on hand, and in transit.....	5,797	5,548	5,605
Accounts receivable, net.....	417	420	420
Commodities for sale.....	4,298	4,583	4,583
Prepaid expenses and other assets.....	10	10	10
Equipment, net.....	3,247	3,393	3,639
Total assets.....	13,769	13,954	14,257
Liabilities:			
Current.....	2,871	2,807	2,843
Government investment:			
Non-interest-bearing capital:			
Start of year.....	359	360	360
Donated equipment.....	1	-----	-----
End of year.....	360	360	360
Retained earnings.....	10,538	10,787	11,054
Total Government investment.....	10,898	11,147	11,414

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury, in banks, on hand, and in transit.....	5,499	5,797	5,548	5,605
Obligated balance, net:				
Current liabilities.....	2,234	2,871	2,807	2,843
Unpaid undelivered orders.....	808	1,052	1,050	1,050
Accounts receivable, net (-).....	-407	-417	-420	-420
Total obligated balance.....	2,635	3,506	3,437	3,473
Unobligated balance.....	2,864	2,291	2,111	2,132

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7,639	8,303	8,409
Positions other than permanent.....	707	710	719
Other personnel compensation.....	64	60	61
Add excess of annual leave earned over annual leave taken.....	107	142	110
Total personnel compensation.....	8,517	9,215	9,299
12 Personnel benefits.....	493	672	677
21 Travel and transportation of persons.....	85	96	96
23 Rent, communications, and utilities.....	639	654	658
24 Printing and reproduction.....	42	43	43
25 Other services.....	193	204	205
26 Supplies and materials.....	27,939	29,538	29,499
31 Equipment.....	672	669	779
Total costs.....	38,580	41,091	41,256
Increase or decrease (-) in unpaid undelivered orders.....	244	-2	
Total obligations.....	38,824	41,089	41,256

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2,380	2,398	2,408
Full-time equivalent of other positions.....	245	252	252
Average number of all employees.....	2,617	2,644	2,653
Number of employees at end of year.....	2,866	2,891	2,901
Average GS grade.....	6.5	6.7	6.7
Average GS salary.....	\$5,741	\$6,294	\$6,397
Average salary of ungraded positions.....	\$2,978	\$3,201	\$3,227

DIRECT LOANS TO VETERANS AND RESERVES

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Capital outlay:			
1. Direct loans to veterans.....	304,625	210,700	203,615
2. Vendee loans made.....	4	4	4
3. Real property acquired.....	101	105	104
Total capital outlay.....	304,730	210,809	203,723
Operations:			
4. Interest on borrowings.....	26,945	32,600	41,075
5. Operating expense, general.....	171	175	185
6. Property management and selling expense.....	190	225	240
Total operations.....	27,306	33,000	41,500
Total obligations.....	332,037	243,809	245,223

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts:			
Permanent.....	150,000	150,000	150,000
Current.....	100,000		
Revenue and receipts:			
Repayment of loans to veterans.....	50,344	55,222	62,861
Repayment of vendee loans.....	193	200	225
Sale of loans.....	105	1,000	1,000
Sale of properties.....	190	192	195
Interest on loans.....	40,191	51,000	60,000
Other revenue.....	1,905	2,000	2,000
Total amounts becoming available.....	342,929	259,614	276,281
Unobligated balance brought forward.....	104,084	114,976	130,781
Unobligated balance transferred to "Loan guarantee revolving fund" (annual appropriation act).....			-70,624
Total amounts available.....	447,013	374,590	336,438
Unobligated balance carried forward.....	-114,976	-130,781	-91,215
Financing applied to program.....	332,037	243,809	245,223

Loans are made to veterans for the purchase, construction, or improvement of homes, including farm residences, in specified areas where mortgage loans made by private lenders and guaranteed by the Veterans Administration cannot be secured (38 U.S.C. 1811, as amended).

Budget program—1. Direct loans to veterans.—Under existing legislation, authority to make or to enter into commitments to make loans expires July 25, 1962. Lending authority is expected to be fully committed by that date. The amount of loans outstanding will reach a peak of \$1.3 billion in 1962. A summary of loan activity follows (dollars in thousands):

	1960 actual	1961 estimate	1962 estimate
Number of loan commitments.....	30,326	21,500	20,777
Number of loan disbursements.....	27,998	18,100	20,650
Amount of loan commitments (obligated).....	\$304,625	\$210,700	\$203,615
Disbursements on loans closed.....	\$281,253	\$177,380	\$202,400
Average per loan closed.....	\$10,045	\$9,800	\$9,800
Repayment of loans (includes exchange of noncash assets).....	\$52,464	\$57,311	\$64,854
Sale of loans.....	\$105	\$1,000	\$1,000
Losses on loans.....	\$56	\$60	\$65
Net loan disbursements.....	\$228,628	\$119,009	\$136,481
Loans outstanding end of year:			
Number.....	144,435	158,700	178,200
Amount.....	\$1,049,959	\$1,168,968	\$1,305,449

2. Vendee loans made.—Resale of real property acquired through foreclosure or voluntary conveyance normally involves a cash downpayment by the purchaser and the creation of a new mortgage loan 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 sources and application of funds; but they are included in the following activity summary (in thousands):

	1960 actual	1961 estimate	1962 estimate
Amount of properties sold.....	\$2,084	\$2,088	\$2,041
Amount of vendee loans acquired.....	1,897	1,900	1,850
Amount of vendee loans repaid.....	293	305	328

3. Real property acquired.—Properties are acquired through foreclosures and voluntary conveyance in defaulted loans. This involves primarily an exchange of noncash assets, with relatively small cash outlay. The

VETERANS ADMINISTRATION—Continued**Public enterprise funds—Continued****DIRECT LOANS TO VETERANS AND RESERVES—Continued**

noncash portion 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 (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Amount of properties acquired.....	2,320	2,300	2,200

4. *Interest on borrowings.*—These payments to the Treasury increase as the principal amount of notes held by the Treasury increases with additional borrowings.

5. *Operating expense, general.*—These include a variety of miscellaneous expense incident to closing and servicing loans. Costs will increase slightly with the increase in the number of loans outstanding.

6. *Property management and selling expense.*—These costs of maintaining and selling properties acquired through foreclosure is expected to increase slightly with the increase in the number of loans outstanding.

Financing.—Loans are made primarily with funds borrowed from the Treasury, and with repayment from loans previously made. Borrowing authority in the amount of \$1,183 million was authorized through June 30, 1960. Additional borrowing authority of \$150 million in the current year and \$150 million in 1962 has been authorized, at a quarterly rate of \$50 million less proceeds of loan sales in the preceding quarter. Of the total funds to be made available from borrowings and program operations, it is expected that \$177 million will be disbursed in current year and \$202 million in 1962 as compared to \$281 million in 1960. 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 and other revenue exceeds interest expense on borrowings from the Treasury, providing a growing annual net income and increasing the retained earnings of the fund to \$106 million in 1962. As indicated in the Program and financing statement, \$70.6 million of these retained earnings will be used to finance the Loan guarantee revolving fund. The remaining \$35.8 million provides a reserve for losses on the estimated \$1.3 billion loans outstanding.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans to veterans.....	281,253	177,380	202,400
Vendee loans.....	4	4	4
Real property.....	101	105	104
Expense.....	27,306	33,000	41,500
Total gross expenditures.....	308,664	210,489	244,008
Receipts from operations (funds provided):			
Realization of assets:			
Repayment of loans to veterans.....	50,344	55,222	62,861
Repayment of vendee loans.....	193	200	225
Sale of loans.....	105	1,000	1,000
Sale of real property.....	190	192	195

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided)—Con.			
Revenue.....	42,096	53,000	62,000
Decrease in selected working capital.....	9,451	737	2,250
Total receipts from operations.....	102,381	110,351	128,531
Budget expenditures.....	206,283	100,138	115,477

Note.—The above statement excludes the following exchanges of nonworking capital assets: The settlement of defaulted veterans loans by acquisition of property (1960, \$2,119 thousand; 1961, \$2,809 thousand; 1962, \$1,993 thousand); The settlement of vendee loans by acquisition of real property (1960, \$100 thousand; 1961, \$105 thousand; 1962, \$103 thousand); The acquisition of vendee loans in exchange for real property (1960, \$1,894 thousand; 1961, \$1,896 thousand; 1962, \$1,846 thousand).

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	42,096	53,000	62,000
Expense.....	27,365	33,063	41,567
Net operating income.....	14,732	19,937	20,433
Nonoperating income:			
Proceeds from sales of properties:			
Cash proceeds.....	190	192	195
Other.....	1,894	1,896	1,846
Net book value of properties sold (—).....	—2,026	—2,033	—1,989
Net gain from sale of properties.....	58	55	52
Net income for the year.....	14,790	19,992	20,485
Analysis of retained earnings:			
Retained earnings, beginning of year.....	51,167	65,957	85,949
Transfer to "Loan guarantee revolving fund" (—).....			—70,624
Retained earnings, end of year.....	65,957	85,949	35,810

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	224,012	273,873	237,772
Accounts receivable, net.....	1,000	900	950
Loans receivable, net:			
Direct loans to veterans.....	1,049,959	1,168,968	1,305,449
Vendee loans.....	4,959	6,551	8,071
Real property owned.....	1,234	1,512	1,696
Real property in process of acquiring title.....	234	223	250
Total assets.....	1,281,398	1,452,027	1,554,188
Liabilities:			
Current.....	35,364	36,000	38,300
Government investment:			
Interest-bearing capital:			
Start of year.....	930,078	1,180,078	1,330,078
Borrowings from Treasury during year, net.....	250,000	150,000	150,000
End of year.....	1,180,078	1,330,078	1,480,078
Retained earnings.....	65,957	85,949	35,810
Total Government investment.....	1,246,035	1,416,027	1,515,888

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	180,295	224,012	273,873	237,772
Obligated balance, net:				
Current liabilities.....	25,723	35,364	36,000	38,300
Undisbursed loan obligations.....	51,300	74,672	107,992	109,207
Accounts receivable, net.....	—811	—1,000	—900	—950
Total obligated balance.....	76,212	109,036	143,092	146,557
Unobligated balance.....	104,084	114,976	130,781	91,215

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
25 Other services.....	361	400	425
33 Investments and loans.....	304,730	210,809	203,723
43 Interest and dividends.....	26,945	32,600	41,075
Total obligations.....	332,037	243,809	245,223

LOAN GUARANTEE REVOLVING FUND

During the current fiscal year, the Loan guarantee revolving fund shall be available for expenses for all property acquisitions and other loan guarantee and insurance operations, except administrative expenses, as authorized by section 1824 of title 38, United States Code: Provided, That the retained earnings of the Direct loans to veterans and reserves revolving fund shall be available, during the current fiscal year, for transfer to said Loan guarantee revolving fund in such amounts as may be necessary to provide for the foregoing expenses.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Capital outlay:			
1. Real property acquired.....			97,960
2. Loans acquired.....			1,058
Total capital outlay.....			99,018
Operations:			
3. Claims paid.....			9,106
4. Property management expense.....			6,800
5. Sales expense.....			5,520
6. Other operating expense.....			180
Total operations.....			21,606
Total obligations.....			120,624
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Repayment of loans.....			16,886
Sale of property and securities.....			6,000
Interest, rental, and other revenue.....			27,161
Unobligated balance transferred from "Direct loans to veterans and reserves" (annual appropriation act).....			70,624
Working capital absorbed.....			4,850
Total amounts becoming available.....			125,521
Unobligated balance carried forward.....			-4,897
Financing applied to program.....			120,624

Beginning in 1962 all nonadministrative costs of the loan guarantee program will be financed through this fund. The fund was established, effective July 1, 1961, by 74 Stat. 533 enacted July 14, 1960. In the current year, as in prior years, these costs are being paid from the Readjustment benefits appropriation. Receipts generated by program operations, heretofore paid into the general fund of the Treasury, will accumulate in 1962 to form part of the capital of this fund for operations in future years.

Budget program.—In connection with the conversion of this program to a revolving fund, data shown below for 1959, 1960, and 1961 have been adjusted for comparability with the 1962 data which are presented on the new basis.

1. *Real property acquired.*—Private lenders who have acquired property as a result of foreclosure on defaulted

guaranteed or insured loans may elect to convey that property to the VA.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Properties acquired:				
Number of properties acquired.....	10,466	10,617	10,450	10,350
Average cost per acquisition.....	\$10,045	\$9,346	\$9,346	\$9,465
Total cost (in thousands).....	\$105,134	\$99,230	\$97,674	\$97,960

2. *Loans acquired.*—Guaranteed or insured loans in a default status may be purchased by the Administrator to avoid foreclosure when it is felt that temporary forbearance will allow the veteran borrower to cure the default.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Loans acquired:				
Number of loans acquired.....	153	149	150	150
Average cost.....	\$6,227	\$7,055	\$7,050	\$7,050
Total cost (in thousands).....	\$953	\$1,051	\$1,058	\$1,058

3. *Claims paid.*—These payments result from veteran borrowers failing to keep up their payments on VA-guaranteed or insured loans, thus requiring the Government to assume the responsibility. The estimate is based on the relatively low default ratio experienced during the program.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Claims paid:				
Number of claims paid.....	10,881	10,550	10,630	10,500
Average cost per payment.....	\$1,365	\$820	\$807	\$867
Total cost (in thousands).....	\$14,849	\$8,654	\$8,575	\$9,106

4. *Property management expense.*—The cost of managing properties acquired are financed under this activity. With little change expected in the number of properties on hand these costs will remain approximately at the 1960 level.

5. *Sales expense.*—This item which consists principally of brokers fees and advertising costs incident to the sale of acquired properties, and no significant change is expected.

Financing.—Revenue and receipts consist principally of interest income and repayments on mortgage loans made incident to the sale of real property acquired as a result of foreclosure on guaranteed loans. It will be several years before this interest income and these principal repayments are sufficient to offset program costs, and make the fund self-sustaining. In the meantime, it will be necessary to transfer funds from Direct loans to veterans and reserves. It is estimated that a transfer of \$70.6 million will be required in 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans.....			1,058
Real property.....			97,960
Expense.....			21,606
Working capital absorbed.....			4,850
Total gross expenditures.....			125,474
Receipts from operations (funds provided):			
Realization of assets:			
Repayment of loans.....			16,886
Real property.....			6,000
Decrease in selected working capital.....			6,953
Revenue.....			27,161
Total receipts from operations.....			57,000
Budget expenditures			68,474

VETERANS ADMINISTRATION—Continued**Public enterprise funds—Continued***LOAN GUARANTEE REVOLVING FUND—Continued***Revenue, Expense, and Retained Earnings (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Revenue.....			27,161
Expense.....			-30,445
Net operating loss (-).....			-3,284
Nonoperating income or loss: Proceeds from sales of properties:			
Cash proceeds.....			6,000
Other.....			93,863
Net book value of properties sold (-).....			-88,621
Net gain from sale of properties.....			11,242
Net income for the year.....			7,958
Analyses of deficit (-):			
Deficit (-), beginning of year.....			
Deficit assumed at inception of fund (-).....			-11,822
Deficit (-), end of year.....			-3,864

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....			7,000
Accounts receivable, net.....			4,897
Loans receivable, net.....			477,302
Real property owned.....			49,500
Real property in process of acquiring title.....			16,500
Total assets.....			555,199
Liabilities:			
Current.....			7,000
Government investment:			
Non-interest-bearing capital:			
Assumption of assets, net, at inception of fund.....			481,439
Unobligated balance transferred from "Direct loans to veterans and reserves".....			70,624
End of year.....			552,063
Deficit (-), end of year.....			-3,864
Total Government investment.....			548,199

Status of Certain Fund Balances (in thousands of dollars)

Unexpended balance: Cash with Treasury.....			7,000
Obligated balance net:			
Current liabilities.....			7,000
Accounts receivable, net (-).....			-4,897
Total obligated balance.....			2,103
Unobligated balance.....			4,897

Object Classification (in thousands of dollars)

25 Other contractual services.....			21,606
33 Investments and loans.....			99,018
Total obligations.....			120,624

RENTAL, MAINTENANCE, AND REPAIR OF QUARTERS**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maintenance and repair of quarters (total program costs).....	99	107	88
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-2	
Obligations incurred for costs of other years, net.....	2		
Total obligations.....	101	105	88
Financing:			
Amounts becoming available: Revenue and receipts: Revenue from rents.....	121	105	90
Unobligated balance brought forward.....	31	23	13
Total amounts available.....	151	128	103
Capital transfer (payment of earnings to Treasury) (-).....	-27	-10	-5
Unobligated balance carried forward.....	-23	-13	-10
Financing applied to program.....	101	105	88

There are available for leasing to Federal employees 133 housekeeping units located at the Veterans Administration Hospital, Perry Point, Md. In addition, on the sites of the new hospitals to be constructed at Brecksville and Cleveland, Ohio, there are 20 units rentable as quarters.

The 133 units at Perry Point were constructed prior to World War I and consequently are in need of considerable repair. Revenue derived from rental of these quarters is necessary for the extensive backlog of modernization, maintenance, and repair (38 U.S.C. 455).

During the construction of the new hospitals, some of the buildings suitable for rental are being leased to the original owners pending completion of the hospital. Others are being rented to resident engineers, guards, and personnel associated with the construction. Several of these buildings will be disposed of through demolition before activation of the hospitals, and the others will become part of hospital quarters available to VA employees.

Relation of costs to obligations.—Unpaid undelivered orders as of June 30, 1960, were \$2 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	99	107	88
Increase in selected working capital.....		4	
Total gross expenditures.....	99	111	88
Receipts from operations (funds provided):			
Revenue from rents.....	121	105	90
Decrease in selected working capital.....	7		
Total receipts from operations.....	128	105	90
Budget expenditures.....	-29	6	-2

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Rental program:			
Revenue.....	121	105	90
Expense.....	99	107	88
Net operating income or loss (-).....	21	-2	2

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year.....	31	25	13
Payment of earnings to Treasury (—).....	—27	—10	—5
Retained earnings, end of year.....	25	13	10

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	24	8	5
Accounts receivable, net.....	4	8	8
Total assets.....	28	16	13
Liabilities:			
Current.....	3	3	3
Government investment:			
Retained earnings.....	25	13	10

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	22	24	8	5
Obligated balance, net:				
Current liabilities.....	1	3	3	3
Unpaid undelivered orders.....		2		
Accounts receivable, net (—).....	—10	—4	—8	—8
Total obligated balance.....	—9	1	—5	—5
Unobligated balance.....	31	23	13	10

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	8	8	8
25 Other services.....	65	74	58
26 Supplies and materials.....	23	23	22
31 Equipment.....	3		
32 Lands and structures.....	2		
Total obligations.....	101	105	88

SERVICE-DISABLED VETERANS INSURANCE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Death claims paid.....	5,187	5,376	6,021
2. Premiums waived and lien writeoffs.....	868	950	1,050
3. Cash surrenders paid.....	119	150	180
4. Other expense.....	35		
5. Increase in operating reserves.....	2,626	4,131	4,500
Total operating costs.....	8,835	10,607	11,751
6. Unfunded adjustments to total operating costs:			
Increase (—) in operating reserves.....	—2,626	—4,131	—4,500
Premiums waived and lien writeoffs (—).....	—868	—950	—1,050
Total operating costs, funded.....	5,341	5,526	6,201

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Capital outlay:			
7. Policy loans and liens made.....	698	880	1,070
Total program costs—obligations.....	6,039	6,406	7,271
Financing:			
Amounts becoming available: Revenue and receipts:			
Loans and liens repaid.....	315	400	500
Payment from "Veterans insurance and indemnities".....	500	1,000	1,300
Premiums earned.....	3,085	3,175	3,437
Interest on investments.....	31	48	69
Other receipts (optional settlements).....	1,278	1,400	1,600
Total amounts becoming available.....	5,209	6,023	6,906
Unobligated balance brought forward.....	765	—66	—449
Total amounts available.....	5,974	5,957	6,457
Unobligated balance carried forward.....	66	449	814
Financing applied to program.....	6,039	6,406	7,271

This fund finances the payment of claims on non-participating insurance policies issued to veterans with service-connected disabilities 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 writeoffs*.—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 increased 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.

7. *Policy loans and liens made*.—A policyholder may borrow up to 94% of the cash value of his policy. This activity increases with the increased number of policyholders.

The general increase in the activity of this fund is indicated in the following table (dollars in thousands):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Number of policies.....	38,702	43,460	48,000	52,500
Insurance in force.....	\$339,871	\$381,137	\$420,960	\$460,425

Financing.—Operations are financed from premiums and other receipts. Additional funds are derived from the appropriation Veterans insurance and indemnities, instead of direct appropriations to this fund. It is estimated that the payment will be \$1.3 million in 1962.

Operating results and financial condition.—Because premium and other receipts continue to be insufficient to cover operations, the deficit is expected to continue to increase with capital impairment reaching an estimated \$20.6 million by June 30, 1962.

The capital of the fund consists of \$4,500 thousand—\$3,500 thousand appropriated directly in 1952, 1956–58,

VETERANS ADMINISTRATION—Continued**Public enterprise funds—Continued****SERVICE-DISABLED VETERANS INSURANCE FUND—Continued**

and \$1,000 thousand transferred from the Readjustment benefits appropriation in 1954.

The cumulative deficit of the fund to June 30, 1960, was \$17,246 thousand, offset by a \$500 thousand payment in 1960 from the appropriation Veterans insurance and indemnities.

Sources and Applications of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans and liens.....	698	880	1,070
Expense.....	5,341	5,526	6,201
Total gross expenditures.....	6,039	6,406	7,271
Receipts from operations (funds provided):			
Loans and liens repaid.....	315	400	500
Payment from "Veterans insurance and indemnities".....	500	1,000	1,300
Revenue.....	4,394	4,623	5,106
Decrease in selected working capital.....	478	182	159
Total receipts from operations.....	5,687	6,205	7,065
Budget expenditures.....	352	201	206

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue:			
Funded.....	4,394	4,623	5,106
Nonfunded (premiums waived).....	868	950	1,050
Total revenue.....	5,262	5,573	6,156
Expense:			
Funded.....	5,341	5,526	6,201
Nonfunded:			
Premiums waived.....	868	950	1,050
Increase in operating reserves.....	2,626	4,131	4,500
Total expense.....	8,835	10,607	11,751
Net loss (—) for the year.....	—3,573	—5,035	—5,595
Analysis of deficit:			
Deficit (—), beginning of year.....	—13,673	—16,746	—20,780
Payment from "Veterans insurance and indemnities".....	500	1,000	1,300
Deficit (—), end of year.....	—16,746	—20,780	—25,075

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	802	601	395
Accounts receivable, net.....	41	29	41
Policy loans.....	986	1,465	2,034
Policy liens.....	2	4	4
Total assets.....	1,832	2,099	2,474
Liabilities:			
Current.....	909	1,079	1,250
Operating reserves:			
Reserve for cash surrender value.....	10,938	14,500	18,500
Reserve for future installments on matured contracts.....	2,230	2,800	3,300
Total liabilities.....	14,078	18,379	23,050

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Non-interest-bearing capital (start and end of year).....	4,500	4,500	4,500
Deficit (—).....	—16,746	—20,780	—25,075
Total Government investment.....	—12,246	—16,280	—20,575

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	1,154	802	601	395
Obligated balance, net:				
Current liabilities.....	404	909	1,079	1,250
Accounts receivable, net (—).....	—14	—41	—29	—41
Total obligated balance.....	389	868	1,050	1,209
Unobligated balance.....	765	—66	—449	—814

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans.....	698	880	1,070
42 Insurance claims and indemnities.....	5,341	5,526	6,201
Total obligations.....	6,039	6,406	7,271

SOLDIERS AND SAILORS CIVIL RELIEF FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Insurance program:			
(a) Claims paid on guaranteed premiums of servicemen's commercial life insurance policies.....	8	8	8
(b) Refund claims paid to former servicemen for payments made to the Government.....	102	89	—
(c) Writeoff of claims receivable.....	1	—	—
Total program costs.....	111	97	8
Unfunded adjustment to total program costs: Writeoff of claims receivable (—).....	—1	—	—
Total program costs—obligations (object class 42).....	110	97	8
Financing:			
Amounts becoming available: Revenue and receipts: Collection of claims receivable.....	1	2	2
Unobligated balance brought forward.....	275	167	72
Total amounts available.....	277	169	74
Unobligated balance carried forward.....	—167	—72	—66
Financing applied to program.....	110	97	8

The fund finances claims arising from the guarantee 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 1961.

The activity of the fund is indicated in the following table:

	1960 actual	1961 estimate	1962 estimate
Number of settlements.....	30	30	30
Number of refunds.....	500	440	---
Average cost per settlement.....	\$259	\$250	\$250
Average cost per refund.....	\$204	\$203	---

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 has created expenses substantially in excess of the small revenue of the fund, thereby increasing the deficit to \$1.8 million in 1960.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	102	89	---
Claims paid.....	8	8	8
Increase in selected working capital.....	---	150	---
Total gross expenditures.....	110	247	8
Receipts from operations (funds provided):			
Claims repaid.....	1	2	2
Decrease in selected working capital.....	6	---	---
Total receipts from operations.....	7	2	2
Budget expenditures.....	103	245	6

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Expense (net loss (-) for the year).....	-103	-89	---
Deficit (-), beginning of the year.....	-1,678	-1,781	-1,870
Deficit (-), end of year.....	-1,781	-1,870	-1,870

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	317	72	66
Claims receivable.....	55	61	67
Total assets.....	372	133	133
Liabilities:			
Current.....	150	---	---
Government investment:			
Non-interest-bearing capital: Start and end of year.....	2,003	2,003	2,003
Deficit (-).....	-1,781	-1,870	-1,870
Total Government investment.....	222	133	133

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	420	317	72	66
Obligated balance, net: Current liabilities.....	145	150	---	---
Unobligated balance.....	275	167	72	66

VETERANS SPECIAL TERM INSURANCE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Death claims paid.....	7,909	8,203	7,800
2. Disability claims paid.....	3	50	75
3. Cash surrenders paid.....	53	130	220
4. Premiums waived and liens written off.....	88	150	175
5. Other expense.....	7	---	---
6. Increase in operating reserves.....	10,841	14,123	15,250
Total operating costs.....	18,901	22,656	23,520
7. Unfunded adjustments to total operating costs:			
Decrease (-) in operating reserves.....	-10,841	-14,123	-15,250
Premiums waived and liens written off (-).....	-88	-150	-175
Total operating costs, funded.....	7,972	8,383	8,095
Capital outlay:			
8. Policy loans made.....	52	350	700
9. Policy liens established.....	6	2	3
Total capital outlay.....	58	352	703
Total program costs—obligations.....	8,030	8,736	8,798
Financing:			
Amounts becoming available: Revenue and receipts:			
Policy loans repaid.....	2	103	400
Policy liens repaid.....	5	1	2
Premiums earned.....	22,581	21,958	21,794
Interest on investments.....	1,951	2,600	3,250
Amounts left under income optional settlement.....	1,505	1,300	1,300
Total amounts becoming available.....	26,045	25,961	26,746
Unobligated balance brought forward (U.S. securities, par).....	61,337	79,352	96,578
Total amounts available.....	87,382	105,314	123,324
Unobligated balance carried forward (U.S. securities, par).....	-79,352	-96,578	-114,526
Financing applied to program.....	8,030	8,736	8,798

The fund finances the payment of claims on non-participating insurance policies issued before January 1, 1957, to veterans who served in the Armed Forces subsequent to April 1951 (38 U.S.C. 723). Under Public Law 85-896, policyholders were given 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 converted to a permanent plan also acquired the right to purchase total disability income coverage with an additional premium.

VETERANS ADMINISTRATION—Continued**Public enterprise funds—Continued****VETERANS SPECIAL TERM INSURANCE FUND—Continued**

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 began in 1960.

4. Premiums waived and liens written off.—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.

8 and 9. Policy loans and liens made.—The policyholders who converted their insurance from term to permanent plan were subsequently entitled to borrow up to 94% of the cash value of the new policy. Disbursement of such loans from this fund exceeded \$50 thousand in 1960.

The general decrease in the activity of this fund is indicated in the following table:

	[Dollars in thousands]			
	June 30, 1959	June 30, 1960	June 30, 1961	June 30, 1962
Number of policies..	671,751	664,121	652,000	640,000
Insurance in force..	\$6,040,356	\$5,896,007	\$5,789,760	\$5,689,600

Financing.—Payments from this fund are financed primarily from premium receipts and interest on investments.

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.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans and liens.....	58	352	703
Expenses.....	7,972	8,383	8,095
Total gross expenditures.....	8,030	8,736	8,798
Receipts from operations (funds provided):			
Loans and liens repaid.....	8	104	402
Revenue.....	26,038	25,858	26,344
Decrease in selected working capital.....	488	194	190
Total receipts from operations.....	26,533	26,155	26,937
Budget expenditures	-18,503	-17,420	-18,139

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Funded.....	26,038	25,858	26,344
Nonfunded: Premiums waived.....	86	150	175
Total revenue.....	26,124	26,008	26,519
Expense:			
Funded.....	7,972	8,383	8,095
Nonfunded:			
Premiums waived and liens written off.....	88	150	175
Increase in operating reserves.....	10,841	14,123	15,250
Total expense.....	18,901	22,656	23,520
Net income for the year.....	7,223	3,352	2,999
Retained earnings, beginning of year.....	51,256	58,479	61,831
Retained earnings, end of year.....	58,479	61,831	64,830

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	765	798	737
U.S. securities (par).....	84,613	102,000	120,200
Accounts receivable, net.....	8	10	15
Policy loans.....	53	300	600
Policy liens.....	2	3	4
Total assets.....	85,440	103,111	121,556
Liabilities:			
Current.....	6,034	6,230	6,426
Operating reserves:			
Policy reserves.....	12,833	25,000	38,000
Premium waiver disability reserves.....	3,474	4,200	5,000
Reserves for future installments on matured contracts.....	4,194	4,900	5,800
Reserve for total disability.....	427	950	1,500
Total liabilities.....	26,961	41,280	56,726
Government investment:			
Retained earnings.....	58,479	61,831	64,830

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash and U.S. securities.....	66,875	85,378	102,798	120,937
Obligated balance, net:				
Current liabilities.....	5,538	6,034	6,230	6,426
Accounts receivable, net (-).....		-8	-10	-15
Total obligated balance.....	5,538	6,026	6,220	6,410
Unobligated balance.....	61,337	79,352	96,578	114,526

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans.....	58	352	703
42 Insurance claims and indemnities.....	7,972	8,383	8,095
Total obligations.....	8,030	8,736	8,798

VOCATIONAL REHABILITATION REVOLVING FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
Writeoff of loans.....	4		
Provision for losses on loans included above (-).....	-4		
Capital outlay: Loans to veterans.....	301	275	250
Total program costs—obligations (object class 42).....	301	275	250
Financing:			
Amounts becoming available: Loans repaid.....	301	275	250
Unobligated balance brought forward.....	313	313	313
Total amounts available.....	614	588	563
Unobligated balance carried forward.....	-313	-313	-313
Financing applied to program.....	301	275	250

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 (38 U.S.C. 1507). Repayments are used to make new loans.

Administrative expenses are borne by the appropriation General operating expenses.

WORKLOAD, AMOUNTS LOANED AND REPAID

	1960 actual	1961 estimate	1962 estimate
Number of loans made.....	3,009	2,750	2,500
Average per loan.....	\$100	\$100	\$100
Number of loans outstanding.....	1,715	1,715	1,715
Average amount per loan outstanding.....	\$50	\$50	\$50
Total amount of loans made (in thousands).....	\$301	\$275	\$250
Repayment of loans (in thousands).....	\$301	\$275	\$250

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans.....	301	275	250
Increase in selected working capital.....	4		
Total gross expenditures.....	305	275	250
Receipts from operations (funds provided):			
Loans repaid.....	301	275	250
Decrease in selected working capital.....		5	
Total receipts from operation.....	301	280	250
Budget expenditures	4	-5	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Expense: Writeoff of loans (net loss (-) for the year).....	-4		
Retained earnings or deficit (-), beginning of year.....	2	-2	-2
Deficit (-), end of year.....	-2	-2	-2

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	308	313	313
Accounts receivable, net.....	5		
Loans receivable.....	86	86	86
Total assets.....	398	398	398
Government investment:			
Non-interest-bearing capital: Start and end of year.....	400	400	400
Deficit (-).....	-2	-2	-2
Total Government investment.....	398	398	398

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	312	308	313	313
Obligated balance, net: Accounts receivable, net (-).....	-1	-5		
Unobligated balance.....	313	313	313	313

Intragovernmental funds:

SUPPLY FUND

During the current fiscal year, the Supply fund shall be available for the purchase of one passenger motor vehicle.

The Supply fund finances, on a reimbursable basis, the procurement of supplies and equipment throughout the Veterans Administration in accordance with the provisions of 38 U.S.C. 5011 and nonperishable subsistence supplies for all civilian agencies.

Budget program—Procurement, distribution, and services program.—This includes the procurement of supplies and equipment, the operation of service and reclamation shops at each of the three supply depots, and a centralized book and periodical procurement activity at Somerville, N.J. It is planned in 1962 to finance the operation of the Veterans Administration supply depot system through the fund and eliminate the appropriation Maintenance and operation of supply depots. The 1962 estimate therefor includes amounts for salaries and other operating costs for the operation of supply depots, the capitalization of operating equipment on hand, and the acquisition and depreciation of operating equipment. The three supply depots are located at Somerville, N.J.; Hines, Ill.; and Wilmington, Calif.

Personal services and other costs incidental to the operation and administration of supply activities in the Veterans Administration central office and field organizations are charged directly to applicable appropriations and are not an operating expense of the Supply fund.

The Veterans Administration has been designated as the Government's purchasing agent for nonperishable subsistence required by the civilian agencies. It is planned to transfer this responsibility not later than July 1, 1961. The increased volume of nonperishable subsistence is estimated at \$3,106 thousand and is reflected in the revenue and expense estimates for 1962. Expenditures and revenue for the procurement distribution and services program are estimated to be \$150,234 thousand in 1962.

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 from the Government Printing Office, the General Services Administration, a Veterans Administration-operated plant in Arlington, Va., and from commercial sources. Expense and revenue in 1962 are estimated at \$3,322 thousand.

Financing.—Consuming appropriations reimburse the fund for the cost of supplies and equipment provided and services rendered by the above specified activities, including related expense such as transportation, inspection, and testing. Costs related to financing supply depot operations through the fund in 1962 will be recovered from the appropriations and funds receiving supplies and equipment from the supply depots.

Operating results.—The fund recovered the 1959 loss of \$237 thousand in 1960 and returned to the Treasury a net profit of \$127 thousand. It is expected to break even in 1962 on a slightly higher sales volume.

VETERANS ADMINISTRATION—Continued

Intragovernmental funds—Continued

SUPPLY FUND—Continued

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Procurement, distribution, and services program:			
Acquisition of equipment.....	1	1	44
Expense:			
Purchases of supplies and equipment for sale.....	146,493	147,528	145,555
Service activities:			
Direct labor.....	222	239	239
Other applied expense.....	44	43	43
Supply depot operations:			
Salaries.....			2,291
Other applied expense.....			315
Direct operating expense.....	340	357	345
Transportation expense.....	1,311	1,377	1,377
Publications and reproduction program:			
Acquisition of equipment.....	44	45	38
Expense:			
Purchases of supplies.....	1,933	2,036	1,980
Direct labor.....	1,100	1,106	1,124
Other applied expense.....	70	60	41
Transportation expense.....	149	145	142
Total gross expenditures.....	151,707	152,937	153,534
Receipts from operations (funds provided):			
Procurement, distribution, and services program: Revenue:			
Sales of commodities and services.....	144,527	146,677	149,463
Other revenue.....	805	781	771
Publications and reproduction program: Revenue.....	3,329	3,290	3,322
Decrease in selected working capital.....	354	88	
Total receipts from operations.....	149,015	150,836	153,556
Budget expenditures.....	2,692	2,101	-22
Revenue, Expense, and Retained Earnings (in thousands of dollars)			
Procurement, distribution, and services program:			
Revenue.....	145,332	147,458	150,234
Expense.....	145,012	147,458	150,234
Net operating income, procurement, distribution, and services program.....	320		
Publications and reproduction program:			
Revenue.....	3,329	3,290	3,322
Expense.....	3,280	3,290	3,322
Net operating income, publications and reproduction program.....	49		
Nonoperating loss (—): Net loss (—) from sale of equipment.....	—5		
Net income for the year.....	364		
Analysis of retained earnings:			
Retained earnings or deficit (—), beginning of year.....	—237	127	
Payment of earnings to Treasury (—).....		—127	
Retained earnings, end of year.....	127		

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	8,706	6,478	6,500
Accounts receivable, net.....	8,968	8,300	8,300

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Assets—Continued			
Commodities for sale.....	31,388	33,571	33,575
Advances.....	126	90	90
Operating equipment, net.....	224	230	950
Total assets.....	49,412	48,669	49,415
Liabilities:			
Current ¹	9,616	9,000	9,000
Government investment:			
Non-interest-bearing capital:			
Start of year.....	39,669	39,669	39,669
Donated inventory.....			746
End of year.....	39,669	39,669	40,415
Retained earnings.....	127		
Total Government investment.....	39,796	39,669	40,415

¹ Excludes liability for accrued annual leave.

Note.—Unpaid undelivered orders are as follows: 1959, \$12,113 thousand; 1960, \$14,370 thousand; 1961, \$13,911 thousand; 1962, \$12,411 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,299	1,325	3,452
Other personnel compensation.....	49	27	45
Total personnel compensation.....	1,348	1,352	3,497
12 Personnel benefits.....	88	107	275
21 Travel and transportation of persons.....	17	17	24
22 Transportation of things.....	1,468	1,529	1,527
23 Rent, communications, and utilities.....	30	22	110
24 Printing and reproduction.....	1,790	1,790	1,819
25 Other services.....	45	55	140
26 Supplies and materials.....	131,048	132,733	130,769
31 Equipment:			
For use of fund.....	45	46	83
For sale to others.....	15,828	15,286	15,290
Total costs.....	151,707	152,937	153,534
Increase or decrease (—) in unpaid undelivered orders and advances.....	1,764	—495	—1,500
Total obligations.....	153,471	152,442	152,034

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	258	242	637
Average number of all employees.....	243	239	611
Number of employees at end of year.....	224	240	630
Average GS grade.....	5.7	5.8	6.0
Average GS salary.....	\$5,122	\$5,553	\$5,680

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General operating expenses.....	79	175	170
2. Medical administration and miscellaneous operating expenses.....	2	67	11
3. Maintenance and operation of supply depots.....	145	150	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Construction of hospital and domiciliary facilities.....	2		
Total obligations.....	228	392	181
Financing:			
Advances and reimbursements from—			
Other accounts.....	197	320	163
Non-Federal sources (5 U.S.C. 61(b); 40 U.S.C. 481(c)).....	31	72	18
Total financing.....	228	392	181

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	121	142	
Other personnel compensation.....	1	1	
Total personnel compensation.....	122	143	
12 Personnel benefits.....	8	11	
23 Rent, communications, and utilities.....	33	37	20
25 Other services.....	61	199	161
26 Supplies and materials.....	2	2	
32 Lands and structures.....	2		
Total obligations.....	228	392	181

Personnel Summary

	1960 actual	1961 estimate
Total number of permanent positions.....	22	23
Average number of all employees.....	22	23
Number of employees at end of year.....	22	23
Average GS grade.....	6.5	5.8
Average GS salary.....	\$5,375	\$5,523
Average salary of ungraded positions.....		\$17,200

Proposed for later transmission:

GENERAL OPERATING EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loan guarantee operations (total costs—obligations).....		1,300	
Financing:			
New obligational authority (proposed supplemental appropriations).....		1,300	

Under existing legislation, 1961.—A supplemental appropriation of \$1,300 thousand is anticipated to cover the cost of increased loan guarantee operations resulting from the enactment of Public Law 86-665 subsequent to the submission of the 1961 budget.

INPATIENT CARE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maintenance and operation of hospitals:			
(a) Neuropsychiatric hospitals.....		2,678	
(b) Tuberculosis hospitals.....		160	
(c) General medical hospitals.....		4,817	
2. Contract hospitalization:			
(c) Federal hospitals.....		327	
3. Maintenance and operation of domiciliary facilities:			
(a) Veterans Administration homes.....		223	
(b) State homes.....		1,090	
Total program costs—obligations.....		9,295	
Financing:			
New obligational authority (proposed supplemental appropriation).....		9,295	

Under existing legislation, 1961.—A supplemental appropriation of \$9,295 thousand is anticipated to cover the cost of wage-rate increases approved for wage-board employees after July 31, 1959, for increased aid to State homes pursuant to Public Law 86-625 and for increased reciprocal per diem rates for Federal contract hospitals, which were not included in the 1961 Inpatient care appropriation.

MAINTENANCE AND OPERATION OF SUPPLY DEPOTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Storage operations.....		38	
2. Utility operations.....		12	
Total program costs—obligations.....		50	
Financing:			
New obligational authority (proposed supplemental appropriation).....		50	

Under existing legislation, 1961.—A supplemental appropriation of \$50 thousand is anticipated to cover the cost of salary increases approved for wage-board employees, after July 31, 1959, and not included in the 1961 Maintenance and operation of supply depots appropriation.

DIRECT LOANS TO VETERANS AND RESERVES

Under proposed legislation, 1962.—Legislation is proposed in this budget to eliminate World War II veterans from the direct loan program as of July 25, 1961. Enactment of such legislation will result in a \$30 million reduction in direct loan expenditures in 1962.

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, [or] to travel performed in connection with the investigation of aircraft accidents by the Civil Aeronautics Board, or to payments to interagency motor pools where separately set forth in the budget schedules.

SEC. 103. 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. 104. No part of any appropriation 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. (*Independent Offices Appropriation Act, 1961.*)

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.]

SEC. [302] 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 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 corporation or agency concerned: *Provided*, That for purposes of this section employees shall be considered as engaged in personnel work if they spend halftime 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; wage administration; and processing, recording, and reporting.

[SEC. 303. 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 construction of fallout shelters in Government-owned or leased buildings except where specifically provided.] (*Independent Offices Appropriation Act, 1961.*)

GENERAL SERVICES ADMINISTRATION

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
REAL PROPERTY ACTIVITIES									
Current authorizations:									
Operating expenses, Public Buildings Service.....	605	154,610	166,692	1,917	176,000	154,561	169,000	175,500	173,900
Repair and improvement of public buildings.....	605	60,000	58,406		60,000	71,764	61,000	59,000	31,251
Construction, public buildings projects.....	605		165,441		181,325	54,000	72,000	130,000	30,000
Sites and expenses, public buildings projects.....	605	25,000	21,000		5,000	22,984	15,000	25,000	2,000
Payments, public buildings purchase contracts.....	605	1,675	4,000		5,200	1,338	4,000	5,200	5,200
Construction, Federal Office Building Numbered 7, Washington, District of Columbia.....	605				26,175	213	800	3,000	2,819
Construction, Federal Office Building Numbered 6, Washington, District of Columbia.....	605					4,151	6,800	851	
Construction, public buildings.....	605					1,118	500	362	
Construction, United States Mission building, New York, New York.....	151					1,897	1,490		
Hospital facilities in the District of Columbia.....	213					3,113	1,200	400	
Miscellaneous accounts:									
Acquisition of land and building, Chicago, Illinois.....	605							500	
Additional court facilities.....	602					15			
Defense public works, community facilities.....	515					10	5		
Operating expenses.....	605						2		
Remodeling the Congress Street Post Office, Chicago, Illinois.....	605					35			
Repair, preservation, and equipment, outside the District of Columbia.....	605						1		
Sites and planning, public buildings outside the District of Columbia.....	605					315	17		
Permanent authorizations:									
Expenses, disposal of surplus real and related personal property (indefinite special fund).....	605	1,896	2,000		2,000	1,015	2,000	2,000	785
Intragovernmental funds:									
Buildings management fund.....	605					-10,781	-841	-1,950	
Construction services, public buildings.....	605					-1,038	-126	-100	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Operating expenses, Public Buildings Service.....	605			3,000			(1)	(1)	
Total, real property activities.....		243,181	417,539	4,917	455,700	304,710	332,848	399,763	245,955
PERSONAL PROPERTY ACTIVITIES									
Current authorizations:									
Operating expenses, Federal Supply Service.....	605	6,045	7,221	444	7,672	5,864	7,250	7,672	6,843
Expenses, supply distribution.....	605	21,450	22,993	537	27,574	20,816	22,900	27,274	25,443
Intragovernmental funds:									
General supply fund (current appropriation).....	605				8,000	18,180	-959	6,433	6,433
Administrative expenses, foreign aid procurements.....	152					1,003	275		
Advances and reimbursements, personal service activities.....	605					-104	197	10	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Expenses, supply distribution.....	605			338			(1)	(1)	
General supply fund (current appropriation).....	605			25,000			25,000		
Total, personal property activities.....		27,495	30,214	26,319	43,246	45,759	54,663	41,389	38,719
RECORDS ACTIVITIES									
Current authorizations:									
Operating expenses, National Archives and Records Service.....	605	9,404	13,502	699	14,159				
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Operating expenses, National Archives and Records Service.....	605			60		9,274	13,500	14,000	12,768
Total, records activities.....		9,404	13,502	759	14,159	9,274	13,500	14,000	12,768

¹ Included in expenditures shown above.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
TRANSPORTATION AND UTILITIES ACTIVITIES									
Current authorizations:									
Operating expenses, Transportation and Public Utilities Service	605	2,000	2,375	161	2,500	1,959	2,500	2,500	2,346
DEFENSE MATERIALS ACTIVITIES									
Current authorizations:									
Strategic and critical materials	067		30,000	-3,765	40,000	49,756	40,000	40,000	30,000
Public enterprise funds:									
Abaca fiber program	518	(47)				-1,019	-46		
Limitation on administrative expenses, abaca fiber program									
Defense production guarantees, defense materials activities	518					-763	-444	-92	
Intragovernmental funds:									
Advances and reimbursements, defense materials activities	518					-150	72		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Strategic and critical materials	067			-3,398					
Total, defense materials activities			30,000	-7,163	40,000	47,824	39,582	39,908	30,000
GENERAL ACTIVITIES									
Current authorizations:									
Salaries and expenses, Office of Administrator	605	225	240	7	250	198	251	250	241
Allowances and office facilities for former Presidents	603	200	250		300	174	249	300	294
Refunds under Renegotiation Act (interest)	652		125			57	225		
Public enterprise funds:									
Federal Facilities Corporation fund	518					-1,197	-1,662	-1,805	
Limitation on administrative expenses, Federal Facilities Corporation fund		(20)	(20)						
Reconstruction Finance Corporation liquidation fund	518					-480	-291	-180	
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund		(40)	(42)		(42)				
Intragovernmental funds:									
Administrative operations fund	605	(12,750)	(13,150)	(823)	(14,607)	-226	-446	-45	
Working capital fund	605				150	-50	3	127	150
Advances and reimbursements, general activities	605					-8	2		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Refunds under Renegotiation Act (interest)	652			275			200	30	
Total, general activities		425	615	282	700	-1,532	-1,469	-1,323	685
Total new obligational authority and budget expenditures		282,505	494,246	25,275	556,305	407,994	441,624	496,237	330,473
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations		280,609	492,246		554,305	407,994	416,424	496,207	330,473
Permanent authorizations:									
Appropriations		1,896	2,000		2,000				
Proposed for later transmission:									
Appropriations			25,275				25,200	30	
Total new obligational authority and budget expenditures		282,505	519,521		556,305	407,994	441,624	496,237	330,473

MEMORANDUM

REFUNDS OF RECEIPTS									
Refunds under Renegotiation Act	652		900	1,600			532	2,576	325
Deduct refunds of receipts, principal			-775	-1,325			-475	-2,151	-295
Interest				125	275			425	30

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
DEFENSE MATERIALS ACTIVITIES										
Abaca fiber program.....	518	897			1,916	46		-1,019	-46	
Defense production guarantees, defense materials activities.....	518	6	5	4	768	449	96	-763	-444	-92
GENERAL ACTIVITIES										
Federal Facilities Corporation fund.....	518	1,058	30		2,255	1,692	1,805	-1,197	-1,662	-1,805
Reconstruction Finance Corporation liquidation fund.....	518	314	59	54	794	350	234	-480	-291	-180
Total, public enterprise funds.....		2,275	94	58	5,733	2,537	2,135	-3,459	-2,443	-2,077

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Repair and improvement of public buildings.....	555	42,107	7,874	30,343		27,749		28,749
Construction, public buildings projects.....	120,630	151,029	27,290	98,979	25,627	192,420		243,745
Sites and expenses, public buildings projects.....	26,118	43,158	42,356	45,175	16,651	51,174	10,551	31,174
Construction, Federal Office Building Numbered 7, Washington, District of Columbia.....	196	1,194	182	981	5	181	680	23,356
Construction, Federal Office Building Numbered 6, Washington, District of Columbia.....	2,493	13,752	504	7,651		851		
Construction, public buildings.....	1,181	1,980	366	862	9	362		
Construction, United States Mission Building, New York, New York.....	154	3,387	124	1,491				
Hospital facilities in the District of Columbia.....	678	4,998	149	1,885	104	685	74	285
Acquisition of land and building, Chicago, Illinois.....	500	500	500	500		500		
Remodeling the Congress Street Post Office, Chicago, Illinois.....	63	89						
Sites and planning, public buildings outside the District of Columbia.....	15	332	12	17				
United States Post Office and Courthouse, Nome, Alaska.....	71	71						
Strategic and critical materials.....	108,371	153,043	30,141	50,936		23,808		23,808
Refunds under Renegotiation Act (interest).....	157	157	100	100				
Other.....		6,679		6,871		8,256		9,215
Total, appropriations.....	261,182	422,476	109,598	245,791	42,396	305,986	11,305	360,332
Revolving and management funds:								
Buildings management fund.....	11,893	12,838	24,610	22,519	12,056	21,556	12,056	22,056
Construction services, public buildings.....	131	235	147	1,273	100	1,399	100	1,499
General supply fund.....	14,512	35,709	-19,929	14,997	-11,684	14,943	-14,722	15,113
Administrative expenses, foreign aid procurements.....	1,239	1,278	227	275				
Advances and reimbursements, personal property activities.....		322		372		175		165
Abaca fiber program.....	2,260	1,524	386	343				
Defense production guarantees.....	5,147	4,970	5,885	5,732	6,202	6,176	6,288	6,268
Advances and reimbursements, defense materials activities.....				71				
Federal Facilities Corporation fund.....	2,213	561	1,786	158	1,609	20	1,604	25
Reconstruction Finance Corporation liquidation fund.....	12,355	8,264	6,943	3,294	7,221	3,585	7,394	3,765
Administrative operations fund.....		1,069		969		1,415		1,460
Working capital fund.....	77	100	27	139	6	129	137	142
Advances and reimbursements, general activities.....				2				
Total, revolving and management funds.....	49,827	66,870	20,082	50,144	15,510	49,398	12,857	50,493
Proposed for later transmission:								
Appropriations, other than pay increase supplementals.....					75	75	45	45
Total, General Services Administration.....	311,009	489,346	129,680	295,935	57,981	355,459	24,207	410,870

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	282,505	519,521	556,305
Unobligated balances brought forward, start of year.....	311,009	129,680	57,981
Unobligated balances rescinded (-).....	-52,351		
Unobligated balances lapsing (-).....	-2,395	-13,365	
Capital transfers from revolving funds to receipt accounts (-).....	-12,892	-5,013	-4,657
Unobligated balances carried forward, end of year (-).....	-129,680	-57,981	-24,207
Obligations incurred, net	396,196	572,842	585,422
Obligated balances brought forward, start of year.....	178,337	166,255	297,478
Adjustments of obligated balances in expired accounts.....	-285	6	
Obligated balances carried forward, end of year (-).....	-166,255	-297,478	-386,663
Budget expenditures	407,994	441,624	496,237

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Major national security:						
067 Stockpiling and defense production expansion.....		22,837	40,000	49,756	40,000	40,000
International affairs and finance:						
151 Conduct of foreign affairs.....				1,897	1,490	
152 Economic and financial assistance.....				1,003	275	
Total, international affairs and finance.....				2,900	1,765	
Labor and welfare:						
213 Promotion of public health.....				3,113	1,200	400
Commerce, housing, and space technology:						
515 Community development and facilities.....				10	5	
518 Other aids to business.....				-3,609	-2,371	-2,077
Total, commerce, housing, and space technology.....				-3,599	-2,366	-2,077
General government:						
602 Judicial functions.....				15		
603 Executive direction and management.....	200	250	300	174	249	300
605 General property and records management.....	282,305	496,033	516,005	355,578	400,351	457,584
Total, general government.....	282,505	496,283	516,305	355,767	400,600	457,884
Interest:						
652 Interest on refunds of receipts.....		400		57	425	30
Total, General Services Administration.....	282,505	519,521	556,305	407,994	441,624	496,237

REAL PROPERTY ACTIVITIES

Current authorizations:

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE

For necessary expenses of real property management and related activities as provided by law; 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); **[\$165,075,000] \$176,000,000**; *Provided*, That this appropriation shall be available, without regard to section 322 of the Act of June 30, 1932, as amended (40 U.S.C. 278a), with respect to buildings, or parts thereof, heretofore leased under the appropriation for "Emergency operating expenses". (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Buildings management.....	143,760	159,951	166,661
2. Acquisition and disposal.....	3,159	4,827	3,273
3. Design and construction.....	280	297	296
4. Program planning.....	569	622	621
5. Service direction.....	628	805	800
6. Administrative operations.....	3,840	4,543	4,600
Total program costs ¹	152,236	171,045	176,251
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-2,436	-251
Obligations incurred for costs of other years, net.....	2,004		
Total obligations.....	154,240	168,609	176,000
Financing:			
Comparative transfers from (-) other accounts.....	-16		
Unobligated balance lapsing.....	387		
New obligational authority (appropriation)	154,610	168,609	176,000
New obligational authority:			
Appropriation.....	154,590	165,075	176,000
Transferred to "Operating expenses, Federal Supply Service" (72 Stat. 243).....	-45		
Transferred (5 U.S.C. 630e) from—			
"Salaries and expenses," Immigration and Naturalization Service, Department of Justice.....	65		
"Operation and maintenance, Army".....		1,019	
"Revolving fund, Corps of Engineers—Civil".....		598	
Appropriation (adjusted).....	154,610	166,692	176,000
Proposed transfer for pay increases from "Strategic and critical materials".....		1,917	

¹ Includes capital outlay as follows: 1960, \$1,819 thousand; 1961, \$2,461 thousand; 1962, \$500 thousand.

This appropriation provides for basic real property operations of the General Services Administration including planning and direction of all real property programs; acquisition, operation, maintenance, protection, and utilization of general-purpose buildings and space; operation of communication facilities; management of excess real property and disposal of surpluses; and central direction of all buildings design, construction, repair, and improvement.

The appropriation request for 1962 is a net increase of \$4,391 thousand above a comparable amount for 1961 which includes proposed appropriation transfers of \$3

million for wage board increases and \$1,917 thousand for pay act costs. The net increase is primarily for management and operation of new Federal buildings scheduled for occupancy in 1961 and 1962 and includes \$127 thousand for annualization of wage board rate increases effective July 1 through September 17, 1960, but no provision is made for increases subsequent to that date.

For the first time in several years, funds are not included in this estimate to acquire and operate additional leased space to support expanding programs of other agencies nor for space previously financed by reimbursement from other agencies. For 1962, funds for these purposes are included in estimates of other agencies in order to reflect the initial cost of new or expanding programs in estimates considered by the Congress. Funds to cover costs incurred in providing such space and service will be transferred to this appropriation under authorization proposed in the general provisions for GSA.

Fair value of property received from other appropriations or funds without cost for use by GSA (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Real property.....	308	1,920	
Personal property.....	224	58	43

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 (in thousands):

AVERAGE NET SQUARE FEET

	1960 actual	1961 estimate	1962 estimate
Government-owned space.....	57,030	62,382	64,955
Leased space.....	22,067	22,935	22,305
Purchase contract space.....	621	1,049	1,269

(b) management and operation of joint-use communication facilities; (c) protection and maintenance of surplus and national industrial reserve properties; and (d) payments in lieu of taxes on certain properties as required by law.

The net increase for 1962 of \$4,334 thousand over the comparable amount for 1961 is composed generally of increased workload with fixed costs as follows (in thousands of dollars):

Operation and protection of Government-owned space.....	4,228
Operation and protection of purchase contract space.....	350
Increased rental rates and utilities, leased space.....	1,300
Reduction in leased space due to completion of new buildings.....	-1,500
Reduction in payments in lieu of taxes.....	-44
Net increase.....	4,334

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) utilization of excess and disposal of surplus and national industrial reserve property; and (c) appraisal services, including the procurement of appraisals under contract.

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 including immediate and long-range building needs for housing Federal activities throughout the country.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1,880 thousand; 1959 (adjusted), \$1,759 thousand; 1960, \$3,763 thousand; 1961, \$1,327 thousand; 1962, \$1,076 thousand.

REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

OPERATING EXPENSES, PUBLIC BUILDINGS SERVICE—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,104	3,751	3,775
Positions other than permanent.....	18	7	2
Other personnel compensation.....	30	29	10
Total personnel compensation.....	3,152	3,787	3,787
12 Personnel benefits.....	220	283	283
21 Travel and transportation of persons.....	296	379	379
Payment to interagency motor pools.....	28	28	28
22 Transportation of things.....	50	21	21
23 Rent, communications, and utilities.....	123	131	131
24 Printing and reproduction.....	65	57	57
25 Other services.....	142,855	158,412	165,790
Payment to "Administrative operations fund".....	3,840	4,543	4,600
Services of other agencies.....	19	20	20
26 Supplies and materials.....	74	50	50
31 Equipment.....	1,162	505	505
32 Lands and structures.....	1,899		
41 Grants, subsidies, and contributions.....	459	393	349
Total obligations.....	154,240	168,609	176,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	457	477	477
Full-time equivalent of other positions.....	3	2	
Average number of all employees.....	428	473	469
Number of employees at end of year.....	456	474	472
Average GS grade.....	8.9	8.9	8.9
Average GS salary.....	\$7,296	\$7,904	\$7,995

REPAIR AND IMPROVEMENT OF PUBLIC BUILDINGS

For expenses, not otherwise provided for, necessary to alter public buildings and to acquire additions to sites pursuant to the Public Buildings Act of 1959 (73 Stat. 479), including grounds, approaches and appurtenances, wharves and piers, together with the necessary dredging adjacent thereto; and care and safeguarding of sites acquired for public buildings; preliminary planning of projects by contract or otherwise; maintenance, preservation, demolition, and equipment; [\$58,000,000] \$60,000,000, to remain available until expended: *Provided*, That for the purposes of this appropriation, buildings constructed pursuant to the Public Buildings Purchase Contract Act of 1954 (40 U.S.C. 356) and the Post Office Department Property Act of 1954 (39 U.S.C. 901 et seq.), and Public Health Service facilities (except Indian health facilities), shall be considered to be public buildings. (*Independent Offices Appropriation Act, 1961*.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Maintenance repairs.....	15,627	18,000	19,950
2. Major repair, replacement, modernization, and renovation.....	19,907	20,738	17,500
3. Air conditioning.....	2,342	1,775	1,500
4. Fallout shelters.....			125
5. Administrative operations.....	900	1,021	1,032
6. Adjustment of prior year costs.....	19		
Total operating costs.....	38,795	41,534	40,107

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Capital outlay:			
1. Maintenance repairs.....	388	400	500
2. Major repair, replacement, modernization, and renovation.....	12,194	12,600	10,500
3. Air conditioning.....	14,804	11,600	9,500
4. Fallout shelters.....			1,500
Total capital outlay.....	27,386	24,600	22,000
Total program costs.....	66,181	66,134	62,107
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—13,084		—2,107
Obligations incurred for costs of other years, net.....		147	
Total obligations.....	53,097	66,280	60,000
Financing:			
Unobligated balance brought forward.....	—555	—7,874	
Recovery of prior year obligations.....	—416		
Unobligated balance carried forward.....	7,874		
New obligational authority.....	60,000	58,406	60,000
New obligational authority:			
Appropriation.....	60,000	58,000	60,000
Transferred (5 U.S.C. 630e) from—			
"Operation and maintenance, Army".....		288	
"Revolving fund, Corps of Engineers—Civil".....		118	
Appropriation (adjusted).....	60,000	58,406	60,000

This appropriation provides for maintaining, repairing, remodeling, improving and other changes in public buildings under the jurisdiction of General Services Administration for these purposes, except extensions and conversions estimated to cost \$200 thousand or more. The budget for 1962 provides for continuation of the long-range program initiated in 1957, to alleviate deterioration and obsolescence of buildings which adversely affect efficient operations of tenant agencies.

Fair value of personal property received from other appropriations or funds without cost for use by GSA is as follows: 1960, \$109 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

1. *Maintenance repairs.*—Normal needs for day-to-day repairs and minor improvements and renovations to buildings and equipment are programed at a rate of about \$0.17 per net square foot. Less than 2.5% of the activity provides for minor capitalized items too small to be considered as renovation projects.

2. *Major repair, replacement, modernization, and renovation.*—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 38% 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. Costs except for amounts required for design, supervision, program development and direction under this activity are considered to be capital improvements. Based on a study made

several years ago, it is estimated that almost half of the requirements will have been provided for by the end of 1962 in buildings located in zones where the combination of the effective temperature and humidity exceeds 80°, exclusive of postal space being modernized by the Post Office Department.

4. *Fallout shelters* are being included in existing Federal buildings to stimulate and encourage State and local governments and private enterprise to provide such facilities in their buildings. Except for a nominal sum for program development and supervision, all costs are considered to be capital improvements.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$33,270 thousand; 1959 (adjusted), \$32,857 thousand; 1960, \$19,773 thousand; 1961, \$19,920 thousand; 1962, \$17,813 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	7	10	10
21 Travel and transportation of persons.....	275	350	350
Payment to interagency motor pools.....	70	72	74
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	146	150	150
24 Printing and reproduction.....	116	120	130
25 Other services.....	31,655	43,977	37,634
Payment to "Administrative operations fund".....	900	1,021	1,032
26 Supplies and materials.....	147	150	165
31 Equipment.....	409	425	450
32 Lands and structures.....	19,367	20,000	20,000
Total obligations.....	53,097	66,280	60,000

CONSTRUCTION, PUBLIC BUILDINGS PROJECTS

For an additional amount for expenses, not otherwise provided for, necessary to construct public buildings projects and alter public buildings by extension or conversion where the estimated cost for a project is in excess of \$200,000 pursuant to the Public Buildings Act of 1959 (73 Stat. 479), including equipment for and fallout shelters in such buildings, **[\$165,441,000]** **\$181,325,000**, to remain available until expended: *Provided*, That the foregoing amount shall be available for public buildings projects, subject to approval of any such project by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively, at locations and at maximum construction improvement costs (excluding funds for sites and expenses) as follows:

- Post office and Federal office building, Camden, Arkansas, \$633,250;**
- Courthouse and Federal office building, San Francisco, California, \$37,286,100;**
- Courthouse and Federal office building, Hartford, Connecticut, \$7,636,400;**
- Federal office building, Miami, Florida, \$7,076,250;**
- Post office and courthouse, Thomasville, Georgia, \$1,094,000;**
- Border station, Jackman, Maine, \$289,850;**
- Border station, Van Buren, Maine, \$284,750;**
- Border station, Vanceboro, Maine, \$254,150;**
- Immigration and Naturalization Service center, (construction and alteration) Detroit, Michigan, \$874,650;**
- Border station, Sweetgrass, Montana, \$586,500;**
- General Services Administration stores depot annex, Albuquerque, New Mexico, \$469,200;**
- Post office and courthouse, Bismarek, North Dakota \$3,224,050;**

- Federal office building, Toledo, Ohio, \$3,867,700;**
- Post office and courthouse (construction and alteration), Philadelphia, Pennsylvania, \$5,601,500;**
- Courthouse and Federal office building, Memphis, Tennessee, \$9,587,150;**
- Border station, El Paso, Texas, \$1,055,700;**
- Post office and Federal office building, Dayton, Washington, \$282,200;**
- Federal Office Building Numbered Eight, District of Columbia, exclusive of laboratory and other equipment, \$15,105,000;**
- Federal Office Building Numbered Nine, District of Columbia, \$20,031,100;**
- Federal Office Building Numbered Ten, District of Columbia, \$38,326,500; and**
- United States Court of Claims and Court of Customs and Patent Appeals building, \$6,375,000;**
- Post office and Federal office building, Decatur, Alabama, \$1,443,000;**
- Customhouse and Federal office building, Los Angeles, California, \$30,271,000;**
- Courthouse and Federal office building, Denver, Colorado, \$20,055,000;**
- General Services Administration stores depot, Denver, Colorado, \$5,795,000;**
- Post office and Federal office building, Statesboro, Georgia, \$595,000;**
- Post office and Federal office building, Winder, Georgia, \$525,000;**
- Post office and Federal office building (construction and alteration), Wyandotte, Michigan, \$424,000;**
- Post office and Federal office building, Santa Fe, New Mexico, \$2,606,000;**
- Customhouse, courthouse, and Federal office building, New York, New York, \$55,294,000;**
- Post office and courthouse, Bryson City, North Carolina, \$833,000;**
- Post office building, Thomasville, North Carolina, \$362,000;**
- Border station, Pembina, North Dakota, \$203,000;**
- Federal office building, Cincinnati, Ohio, \$19,267,000;**
- Post office and Federal office building, Medford, Oregon, \$1,910,000;**
- Post office and Federal office building (construction and alteration), Johnstown, Pennsylvania, \$1,302,000;**
- Post office and Federal office building, Lebanon, Pennsylvania, \$807,000;**
- Border station, Derby Line, Vermont, \$296,000;**
- Government Printing Office field plant, District of Columbia, \$1,627,000: Provided further, That the maximum construction improvement costs heretofore approved for the following projects are hereby increased as follows:**
- Federal Office Building Numbered Eight, District of Columbia, is increased from "\$15,105,000" to "\$19,105,000", including \$6,000,000 for laboratory and other equipment;**
- Courthouse and Federal office building, Chicago, Illinois, is increased from "\$5,500,000" to "\$39,210,000", including construction of the first of two buildings authorized at this location: Provided further, That the foregoing limits of costs may be exceeded to the extent that savings are effected in other projects, but by not to exceed 10 per centum; Provided further, That not to exceed \$5,500,000 of the foregoing appropriation may be used for clearing the site and installing footings for the authorized public building project at Chicago, Illinois. (Independent Offices Appropriation Act, 1961.)**
- Appropriations under the head "Construction, Public Buildings Projects" shall be available for acquisition of buildings and sites thereof by purchase, condemnation or otherwise, including prepayment of purchase contracts, or for other approved projects outside the District of Columbia.**
- The second paragraph under the heading "General Services Administration", subhead "General Provisions", in the Independent Offices Appropriation Act, 1961, is amended to read as follows:**
- "Appropriations Appropriations under the heading ["Construction," "Construction, Public Buildings Projects"] Projects" shall be available for (1) acquisition of buildings and sites thereof by purchase, condemnation, or otherwise, including prepayment of purchase contracts, (2) extension or conversion of Government-owned buildings, and (3) construction of projects for new public buildings approved pursuant to the Public Buildings Act of [1959.] 1959, in addition to those set forth under that appropriation. (Independent Offices Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)"**

REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

CONSTRUCTION, PUBLIC BUILDINGS PROJECTS—Continued

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Construction.....	877,975	2,054	33,036	118,700	182,500	125,736	122,835	179,599	418,850
2. Extension and conversion.....	16,123			3,905	9,500	9,113	1,339	1,726	1,379
3. Acquisition of buildings.....	27,474		27,388	86					
4. Site acquisition.....	119	115	4						
5. Design and supervision.....	64	7	48	9					
Total program costs.....	921,755	2,176	60,476	122,700	192,000	134,849	124,174	181,325	420,229
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			34,814	44,404	14,952				
Total obligations.....			95,290	167,104	206,952				
Financing:									
Unobligated balance brought forward.....			-120,630	-27,290	-25,627				
Unobligated balance transferred from "Construction, Federal Office Building Numbered 6, Washington, District of Columbia" (73 Stat. 507).....			-1,950						
Unobligated balance carried forward.....			27,290	25,627					
New obligational authority (appropriation).....				165,441	181,325				

This appropriation provides for financing (a) construction of new public buildings and (b) extension and conversion of existing structures where individual project expenditures exceed \$200 thousand. Expenses for related site acquisition, design, and supervision are provided for under Sites and expenses, public buildings projects. Also authorized under this appropriation is the construction of certain projects for which funds were appropriated in the Independent Offices Appropriation Act of 1959, the purchase of privately owned buildings and sites thereof for continued Government use, prepayment of purchase contracts, and certain alterations to Government-owned buildings. Costs estimates for 1962 were adjusted downward to reflect recent favorable bid experience and other special considerations.

1. *Construction.*—The total \$878 million estimated for this activity includes \$826 million for projects previously approved pursuant to the Public Buildings Act of 1959, or other law, and \$52 million for additional projects expected to be approved during the current session of Congress. About half of the \$878 million is for projects which are being started through 1962; the \$419 million required to complete represents those projects which will be undertaken in future years. The appropriation for 1961 provides for construction starts on 20 buildings costing \$159 million, including 2 projects only partially funded.

The estimate for 1962 provides for construction starts on 16 additional buildings costing \$141.9 million and includes \$37.7 million to complete the 2 buildings partially

funded in 1961. Provision is made for construction of fallout shelters in certain buildings in accordance with the national shelter policy.

2. *Extension and conversion.*—Through major extension and conversion projects, existing buildings are brought up to standards and expanded to make them suitable for the current and future needs of the tenant agencies. Individual projects involving expenditures of more than \$200 thousand are financed under this appropriation, while those costing less are financed under Repair and improvement of public buildings.

The program for 1961 includes 5 projects costing \$13 million. The estimate for 1962 provides for 2 additional projects costing \$1.7 million.

3. *Acquisition of buildings.*—Where economically advantageous to the Government privately owned leased buildings necessary for continued occupancy by tenant agencies are purchased and purchase contracts are prepaid. During 1960, 11 privately owned buildings were purchased and purchase contracts on 9 buildings were prepaid, at a total cost of \$27.5 million.

While no specific acquisitions are contemplated at this time in 1961 and 1962, economic considerations may justify selected acquisitions.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$30,004 thousand; 1960, \$64,818 thousand; 1961, \$109,222 thousand; 1962, \$124,174 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		1	
24 Printing and reproduction.....	3		
25 Other services.....	45	4	
31 Equipment.....			6,000
32 Lands and structures.....	95,242	167,099	200,952
Total obligations.....	95,290	167,104	206,952

SITES AND EXPENSES, PUBLIC BUILDINGS PROJECTS

For an additional amount for expenses necessary in connection with the construction of public buildings projects not otherwise provided for, as specified under this head in the Independent Offices Appropriation Acts of 1959 and 1960, including preliminary planning of public buildings projects by contract or otherwise, **[\$21,000,000]** \$5,000,000, to remain available until expended. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Site acquisition.....	63,845	26,474	6,520	26,000	4,800	2,276	51	2,575	
2. Design and supervision.....	60,820	10,173	5,712	20,371	15,100	22,139	9,464	2,425	
3. Construction.....	787	465	6	316					
4. Program development.....	3,986	995	431	782	569	1,778	1,209		
5. Administrative operations.....	3,027	505	363	531	531	1,628	1,097		
Total program costs.....	132,465	38,612	13,032	48,000	21,000	27,821	11,821	5,000	
6. Relations of costs to obligations: Costs financed from obligations of other years, net (—)			—4,270	—1,295	—9,900				
Total obligations.....			8,762	46,705	11,100				
Financing:									
Unobligated balance brought forward.....			—26,118	—42,356	—16,651				
Unobligated balance carried forward.....			42,356	16,651	10,551				
New obligational authority (appropriation).....			25,000	21,000	5,000				

This appropriation provides for preliminary planning of public buildings projects and for acquisition of sites, preparation of drawings and specifications, supervision of construction, and related costs. Costs of improvements, with minor exceptions, are financed from Construction, public buildings projects.

The program for 1961 contemplates design starts, including acquisition of sites, where necessary, on 60 projects involving improvement costs of \$306.4 million, and review of drawings or supervision of construction on other projects for which funds were previously appropriated.

The estimate of \$5 million for 1962 provides for design starts and acquisition of sites, where necessary, for additional high priority projects to be proposed. Continued administration of other projects will be financed out of funds previously appropriated.

1. *Site acquisition.*—Acquisition of sites, including cost of appraisals.

2. *Design and supervision.*—Preparation of drawings and specification, by contract or otherwise; technical services; soil surveys and tests, reproduction of plans and specifications; and supervision of construction, by contract or otherwise.

4. *Program development.*—Preliminary development of projects, by contract or otherwise, and program direction, not distributed to specific projects. Costs for 1962 are entirely financed from prior appropriations under this head.

6. *Relation of cost to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$16,735 thousand; 1960, \$12,465 thousand; 1961, \$11,170 thousand; 1962, \$1,270 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	227	347	348
Positions other than permanent.....	1		
Other personnel compensation.....	2	1	
Total personnel compensation.....	230	348	348
12 Personnel benefits.....	16	26	26
21 Travel and transportation of persons.....	57	150	200
Payment to interagency motor pools.....	14	37	50
22 Transportation of things.....	6	15	20
23 Rent, communications, and utilities.....	17	36	36
24 Printing and reproduction.....	81	150	150
25 Other services.....	4,636	19,784	7,149
Payment to "Administrative operations fund".....	363	531	531
Services of other agencies.....	9	3	3
26 Supplies and materials.....	4	7	10
31 Equipment.....	1	2	2
32 Lands and structures.....	3,328	25,616	2,575
Total obligations.....	8,762	46,705	11,100

Personnel Summary

Number of permanent positions.....	41	45	45
Average number of all employees.....	31	44	44
Number of employees at end of year.....	31	44	45
Average GS grade.....	8.6	9.2	9.2
Average GS salary.....	\$7,126	\$7,981	\$8,138

REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

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), **[\$4,000,000]** \$5,200,000. (Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to contractors.....	1,277	3,229	4,021
2. Taxes.....	61	771	1,179
Total program costs—obligations¹.....	1,338	4,000	5,200
Financing:			
Unobligated balance lapsing.....	337		
New obligatory authority (appropriation).....	1,675	4,000	5,200

¹Includes capital outlay as follows: 1960, \$924 thousand; 1961, \$1,737 thousand; 1962, \$1,994 thousand.

Purchase contracts were executed to construct and acquire 29 specific buildings costing \$52.9 million through lease-purchase arrangements under the Public Buildings Purchase Contract Act of 1954. Twenty-seven buildings have been completed, one will be completed during 1961, and the last one is scheduled for completion early in 1962. Nine of the completed buildings were acquired by outright

purchase from Construction, public building projects, pursuant to authority provided in Public Law 86-255 (73 Stat. 507). The estimate for 1962 provides for payments to contractors and taxing authorities on all 20 projects remaining under purchase contract.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
32 Lands and structures.....	924	1,737	1,994
41 Grants, subsidies, and contributions.....	61	771	1,179
43 Interest and dividends.....	353	1,492	2,027
Total obligations.....	1,338	4,000	5,200

CONSTRUCTION, FEDERAL OFFICE BUILDING NUMBERED 7, WASHINGTON, DISTRICT OF COLUMBIA

【The appropriation contained in the Independent Offices Appropriation Act, 1959, under the head "Construction, United States Court of Claims and Federal Office Building, Washington, District of Columbia" is hereby made available for expenses necessary for the preparation of plans and specifications for a building in Washington, District of Columbia, for use of agencies of the executive branch of the Government without provision of space for the United States Court of Claims.】 For an additional amount for expenses, not otherwise provided for, necessary to construct Federal Office Building Numbered 7 in Washington, District of Columbia, for use of agencies of the executive branch, in accordance with plans and specifications provided for in the Independent Offices Appropriation Acts, 1959 and 1961 (72 Stat. 1067 and 74 Stat. 432), including fallout protection, \$26,175,000, to remain available until expended. (Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Design and supervision.....	1,615	85	135	800	300	180	295	415	
2. Construction.....	25,760				5,200		20,560	25,760	
Total program costs.....	27,375	85	135	800	5,500	180	20,855	26,175	
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....			—121	—623					
Obligations incurred for costs of other years, net.....					20,000				
Total obligations.....			14	177	25,500				
Financing:									
Unobligated balance brought forward.....			—196	—182	—5				
Unobligated balance carried forward.....			182	5	680				
New obligatory authority (appropriation).....					26,175				

This appropriation provides for construction and related supervision of a Federal Office Building on the west side of Lafayette Square in the District of Columbia.

Design was started in November 1958, suspended in April 1960 pending approval of necessary changes in scope, and was resumed in July 1960 after necessary congressional authorizations were obtained. Completion of design is scheduled for August 1961 and award of construction contract is expected in January 1962.

3. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$919

thousand; 1960, \$798 thousand; 1961, \$175 thousand; 1962, \$20,175 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		1	1
24 Printing and reproduction.....		5	51
25 Other services.....	14	171	303
32 Lands and structures.....			25,145
Total obligations.....	14	177	25,500

CONSTRUCTION, FEDERAL OFFICE BUILDING NUMBERED 6, WASHINGTON, DISTRICT OF COLUMBIA

Program and Financing (in thousands of dollars)

	Costs to this appropriation				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate
Program by activities:					
1. Construction (total program costs).....	12,050	405	5,519	6,126	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....			-5,481	-5,622	
Total obligations (object class 32).....			39	504	
Financing:					
Unobligated balance brought forward.....			-2,493	-504	
Unobligated balance transferred to "Construction, public buildings projects" (73 Stat. 507).....			1,950		
Unobligated balance carried forward.....			504		
New obligational authority (appropriation).....					

A contract for construction of Federal Office Building No. 6 in the southwest redevelopment area, Washington, D.C., was awarded in March 1959, for completion at the end of 1961.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$11,103 thousand; 1960, \$5,622 thousand.

CONSTRUCTION, PUBLIC BUILDINGS

Program and Financing (in thousands of dollars)

	Costs to this appropriation				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate
Program by activities:					
1. Brownsville, Tex., border station.....	565	19	295	251	
2. Eagle Pass, Tex., border station.....	343	23	207	113	
3. Madawaska, Maine, border station.....	282	92	170	20	
4. Rooseveltown, N.Y., border station.....	320	4	3	104	209
5. San Ysidro, Calif., border station.....	938	340	586	12	
Total program costs.....	2,448	478	1,261	500	209
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....			-446	-143	-200
Total obligations.....			815	357	9
Financing:					
Unobligated balance brought forward.....			-1,181	-366	-9
Unobligated balance carried forward.....			366	9	
New obligational authority (appropriation).....					

Contracts for construction of four of the five authorized border stations have been awarded. One has been completed and three are scheduled for completion in 1961. A contract for the remaining station will be awarded in 1961 for completion in 1962.

4. *Rooseveltown, N.Y., border station.*—1962 costs to this activity are from unpaid undelivered orders and unobligated balances at the start of the year totaling \$209 thousand.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$789 thousand; 1960, \$343 thousand; 1961, \$200 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	3	3	2
24 Printing and reproduction.....		2	
25 Other services.....	25	50	2
26 Supplies and materials.....	1		
31 Equipment.....	7		
32 Lands and structures.....	779	302	5
Total obligations.....	815	357	9

REAL PROPERTY ACTIVITIES—Continued

Current authorizations—Continued

CONSTRUCTION, UNITED STATES MISSION BUILDING, NEW YORK, NEW YORK

Program and Financing (in thousands of dollars)

	Costs to this appropriation				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate
Program by activities:					
1. Construction (total program costs).....	3,750	556	2,083	1,111	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....			—2,053	—987	
Total obligations (object class 32).....			30	124	
Financing:					
Unobligated balance brought forward.....			—154	—124	
Unobligated balance carried forward.....			124		
New obligational authority (appropriation).....					

A contract was awarded in November 1958, for construction of a building in New York City to house the U.S. Mission to the United Nations, for completion in 1961.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3,040 thousand; 1960, \$987 thousand.

HOSPITAL FACILITIES IN THE DISTRICT OF COLUMBIA

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Construction.....	23,410	23,267	97	46					
2. Grants.....	17,320	9,562	2,922	1,154	400	682	282		3,000
Total program costs.....	40,730	32,829	3,019	1,200	400	682	282		3,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....			—2,490	—1,155	—370				
Total obligations.....			529	45	30				
Financing:									
Unobligated balance brought forward.....			—678	—149	—104				
Unobligated balance carried forward.....			149	104	74				
New obligational authority (appropriation).....									

Improvements of private hospital facilities in the District of Columbia are made under legislation authorizing appropriations of \$40,730 thousand of which \$37,730 thousand has been appropriated. The remaining \$3,000 thousand was authorized to aid in financing construction of a hospital in the southeast area of the District of Columbia.

1. *Construction.*—Under appropriations of \$23,410 thousand a new hospital center was physically completed and occupied during 1958. Equipment installation will be completed in 1961.

2. *Grants.*—Under appropriations of \$14,320 thousand grants totaling \$13,995 thousand have been approved for private agencies in the District of Columbia for improving existing hospital facilities on which building costs are estimated at \$34,800 thousand. Approximately \$7,100 thousand, representing 50% of the grants, is to be reimbursed by the District of Columbia over a period of years.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4,223 thousand; 1960, \$1,733 thousand; 1961, \$578 thousand; 1962, \$208 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	1		
25 Other services.....	25	20	30
26 Supplies and materials.....	3		
31 Equipment.....	50	25	
41 Grants, subsidies, and contributions.....	450		
Total obligations.....	529	45	30

REAL PROPERTY ACTIVITIES MISCELLANEOUS ACCOUNTS

Note.—The following schedule includes unobligated balance for "United States Post Office and Courthouse, Nome, Alaska."

Program and Financing (in thousands of dollars)

	Costs to this appropriation				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate
Program by activities:					
1. "Acquisition of land and building, Chicago, Ill."-----	3,000	2,500			500
2. "Defense public works, community facilities"-----	20		10	5	
3. "Remodeling the Congress Street Post Office, Chicago, Ill."-----	1,122	1,105	17		
4. "Sites and planning, public buildings outside the District of Columbia"-----	2,303	1,971	315	17	
Total program costs-----	6,445	5,576	342	22	500
5. Relation of costs to obligations:					
Costs financed from obligations of other years, net (-)-----			-320		-500
Obligations incurred for costs of other years, net-----				495	
Total obligations (object class 32)-----			21	517	
Financing:					
Unobligated balance brought forward-----			-649	-512	
Recovery of prior balances-----			-10	-5	
Unobligated balance carried forward-----			512		
Unobligated balance lapsing-----			125		
New obligational authority (appropriation)-----					

1. *Acquisition of land and building, Chicago, Ill.*—Condemnation proceedings are in process to acquire the Rand-McNally Building to provide housing for certain agencies in the Chicago area. 1962 costs to this activity are from unpaid undelivered orders at start of year totaling \$500 thousand.

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.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$325 thousand; 1960, \$5 thousand; 1961, \$500 thousand.

"Plant and facilities," National Bureau of Standards.
 "Research and development," Office of Civil and Defense Mobilization.
 "Salaries and expenses," Agricultural Research Service.
 "Salaries and expenses," Coast and Geodetic Survey.
 "Salaries and expenses," Office of Civil and Defense Mobilization.
 "Salaries and expenses," Smithsonian Institution.

Permanent authorizations:

EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY

(Indefinite special fund)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward-----	16,301	15,762	5,000
Receipts, net-----	1,307	-8,762	1,000
Unobligated balance returned to unappropriated receipts-----	50		
Total available for appropriation-----	17,658	7,000	6,000
Deduct appropriation-----	1,896	2,000	2,000
Unappropriated balance carried forward-----	15,762	5,000	4,000

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Appraisers' fees and surveying-----	496	925	900
2. Auctioneers' and brokers' fees-----	242	1,075	1,200
3. Advertising-----	253	200	400
4. Adjustment of prior year costs-----	29		
Total program costs-----	1,020	2,200	2,500
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-)-----		-200	-500
Obligations incurred for costs of other years, net-----	876		
Total obligations-----	1,896	2,000	2,000
Financing:			
New obligational authority (appropriation)-----	1,896	2,000	2,000

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:

- "Acquisition and construction of radio facilities," United States Information Agency.
- "Additions to Natural History Building," Smithsonian Institution.
- "Animal disease laboratory facilities," Agricultural Research Service.
- "Buildings and facilities," Federal Prisons System.
- "Buildings and facilities," Public Health 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," Bureau of Mines.
- "Construction," Bureau of Old-Age and Survivors Insurance.
- "Construction," Central Intelligence Agency.
- "Construction," Gallaudet College.
- "Construction," National Park Service.
- "Construction of biologics standards laboratory building," Public Health Service.
- "Construction of buildings," Howard University.
- "Construction of dental research building," Public Health Service.
- "Construction of facilities," Agricultural Research Service.
- "Construction of facilities," National Bureau of Standards.
- "Construction of facilities," Office of Civil and Defense Mobilization.
- "Construction of library facilities," Public Health Service.
- "Construction of men's dormitory (liquidation of contract authorization)," Howard University.
- "Construction of surgical facilities," Public Health Service.
- "Emergency repairs to the Bureau of Engraving and Printing Annex Building."
- "Extension and remodeling, State Department building."
- "Facilities and equipment," Federal Aviation Agency.
- "General office building," Public Health Service.
- "General research and services," National Institutes of Health.
- "Government Printing Office revolving fund."
- "Grants to States for unemployment compensation and employment service administration," Bureau of Employment Security.
- "Major repairs and preservation of buildings and grounds," Saint Elizabeths Hospital.
- "Museum of History and Technology," Smithsonian Institution.
- "Participation in Century 21 Exposition," Department of Commerce.

REAL PROPERTY ACTIVITIES—Continued

Permanent authorizations—Continued

EXPENSES, DISPOSAL OF SURPLUS REAL AND RELATED PERSONAL PROPERTY—Continued

(Indefinite special fund)—Continued

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 U.S.C.A. 485(b)). Also paid from such proceeds are direct expenses in connection with the utilization of excess real and related personal property (68 Stat. 1051). Sales by auctioneers amounted to \$13.2 million in 1960 and sales by both auctioneers and brokers are estimated at \$35 million in 1961 and \$40 million in 1962.

Gross receipts from all sources were \$59.5 million in 1960 and are estimated to be \$68 million in 1961 and \$77 million in 1962.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$346 thousand; 1959 (adjusted), \$296 thousand; 1960, \$1,172 thousand; 1961, \$972 thousand; 1962, \$472 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	3	5	5
25 Other services.....	1,893	1,995	1,995
Total obligations.....	1,896	2,000	2,000

Intragovernmental funds:

BUILDINGS MANAGEMENT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Buildings management:			
(a) Operation and protection of Government-owned space.....	84,299	94,300	98,649
(b) Rental, operation, and protection of leased space.....	86,949	96,700	102,400
(c) Operation and protection of purchase contract space.....	1,031	1,700	2,050
2. Moving and space alterations.....	1,789	2,494	2,494
3. Temporary space and moving costs incident to new buildings.....	411	1,000	1,000
4. Operation of communication facilities:			
(a) Telephone.....	18,179	19,195	19,195
(b) Rapid written.....	3,074	3,294	3,294
5. Protection and maintenance: Surplus properties.....	1,753	1,952	1,952
6. Maintenance repairs:			
(a) General Services Administration operated buildings.....	6,248	7,500	7,500
(b) Non-General Services Administration operated buildings.....	3,955	4,000	5,000
7. Security guarding.....	4,747	5,112	5,112
8. Operation and maintenance of sites held for future construction.....	272	350	350
9. Job order work:			
(a) General Services Administration appropriations.....	5,546	5,800	6,000
(b) Financed by other agencies.....	27,645	58,500	59,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
10. Other.....	1,593	1,500	1,500
11. Gain (—) on disposal of equipment, net.....	—400		
Total operating costs.....	247,091	303,397	315,496
12. Unfunded adjustments to total operating costs:			
Depreciation included above (—).....	—210	—375	—375
Other.....	400		
Total operating costs, funded.....	247,281	303,022	315,121
Capital outlay:			
13. Acquisition of equipment.....	354	375	375
Total program costs, funded.....	247,635	303,397	315,496
14. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1,210	
Obligations incurred for costs of other years, net.....	5,351		
Total obligations.....	252,985	302,187	315,496
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of goods and services.....	247,349	303,247	315,346
Increase or decrease (—) in accepted orders on hand.....	17,951	—13,410	
Rental of future building sites.....	1,446	1,600	1,600
Other revenue.....	30		
Sale of equipment.....	26		
Total amounts becoming available.....	266,802	291,437	316,946
Unobligated balance brought forward.....	11,893	24,610	12,056
Total amounts available.....	278,695	316,047	329,002
Capital transfer (payment of earnings to Treasury) (—).....	—1,100	—1,804	—1,450
Unobligated balance carried forward.....	—24,610	—12,056	—12,056
Financing applied to program.....	252,985	302,187	315,496

This fund finances, on a reimbursable basis, building 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 repairs to Government-owned space under jurisdiction of General Services Administration; operation of joint-use communication facilities; protection and maintenance of excess and surplus properties; and maintenance and repair of sites or improvements thereon reserved for future construction of Federal buildings, including operation 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.

Operating costs for 1962 are estimated at \$315.5 million, a net increase of \$12.1 million over 1961, due mainly to net additional space to be serviced.

1. *Buildings management—(a) Operation and protection of Government-owned space.*—Provides for operation and protection of 91.6 million average square feet of space in 1962 compared to 89 million square feet in 1961 and 83.1 million in 1960. The change from 1961 reflects net additional space to be serviced due to construction of new buildings and full year maintenance and operating costs for Kansas City Records Center, Kansas City, Mo., which was transferred to GSA in October of 1960.

(b) *Rental, operation, and protection of leased space.*—Provides for 38.2 million average square feet of space in 1962 compared to 37.4 million in 1961 and 36.1 million square feet in 1960, based on currently projected programs of Federal agencies.

(c) *Operation and protection of purchase contract space.*—Provides for 1.3 million average square feet in 1962 compared to 1 million in 1961 and 621,000 in 1960. The increase over 1961 provides for part-year operation and protection of the Federal building at Sacramento, Calif., to be completed in August of 1961 and full year costs of the Federal building, Omaha, Nebr., completed in September 1960.

2. *Moving and space alterations.*—Provides for minimum of moving and related alterations based on experience factors derived from buildings management operations.

3. *Temporary space and moving costs 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 construction and moving agencies into temporary space or completed buildings.

4. *Operation of communication facilities.*—Provides for management and operation of telecommunication services and facilities for use of Federal agencies.

5. *Protection and maintenance.*—Provides for protection and maintenance of excess and surplus properties.

6. *Maintenance repairs.*—Provides for day-to-day maintenance to GSA operated buildings, Public Health Service facilities and other Government buildings under jurisdiction of General Services Administration.

7. *Security guarding.*—Provides extra guarding service for other agencies where specifically authorized by law.

8. *Operation and maintenance of sites held for future construction.*—Provides for maintenance and repairs of sites or improvements thereon reserved for future construction of Federal buildings, and operation of space occupied by commercial tenants.

9. *Job order work.*—Provides for special services and improvements to buildings for General Services Administration and other agencies. Increases in 1961 and 1962 are primarily for work which will be performed for the Post Office Department in connection with its modernization program.

10. *Other.*—Provides for program supervision of repair and improvement operations as distinguished from architectural and design activities initially financed from the Construction services fund, and utility services furnished in the District of Columbia to buildings operated by other agencies.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Advances.....	3	1	1	1
Inventories, supplies and materials...	2,849	2,391	2,391	2,391
Work in process.....	6,525	6,918	6,918	6,918
Deferred charges.....	597	433	433	433
Unpaid undelivered orders.....	10,629	16,210	15,000	15,000
Total selected resources at end of year.....	20,603	25,954	24,743	24,743
Selected resources at start of year (—).....		—20,603	—25,954	—24,743
Costs financed from obligations of other years, net.....			—1,210	
Obligations incurred for costs of other years, net...		5,351		

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	354	375	375
Expense.....	247,224	303,022	315,121
Net working capital transferred to other programs.....	57		
Increase in selected working capital.....		609	
Total gross expenditures.....	247,634	304,006	315,496
Receipts from operations (funds provided):			
Revenue.....	248,825	304,847	316,946
Proceeds from sale of equipment.....	26		
Decrease in selected working capital.....	9,565		500
Total receipts from operations.....	258,415	304,847	317,446
Budget expenditures.....	—10,781	—841	—1,950

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	248,825	304,847	316,946
Expense.....	247,351	303,397	315,496
Net operating income.....	1,474	1,450	1,450
Nonoperating income:			
Proceeds from sale of equipment.....	26		
Net book value of assets sold (—).....	—24		
Net gain from sale of equipment.....	1		
Other nonoperating expense, net (—).....	—82		
Equipment transferred from other sources, net.....	398		
Net nonoperating income.....	317		
Net income for the year.....	1,792	1,450	1,450
Analysis of retained earnings:			
Retained earnings, beginning of year.....	1,100	1,804	1,450
Payment of earnings to Treasury (—).....	—1,100	—1,804	—1,450
Adjustment of prior year transactions affecting equipment.....	12		
Retained earnings, end of year.....	1,804	1,450	1,450

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	22,519	21,556	22,056
Accounts receivable, net.....	11,195	12,000	13,000
Advances.....	1	1	1
Work in process.....	6,918	6,918	6,918
Inventories, supplies, and materials.....	2,391	2,391	2,391
Deferred charges.....	433	433	433
Equipment, net.....	2,535	2,535	2,535
Total assets.....	45,992	45,834	47,334
Liabilities:			
Current.....	36,304	36,500	38,000
Unfunded leave liability.....	8,740	9,000	9,000
Total liabilities.....	45,044	45,500	47,000
Government investment:			
Non-interest-bearing capital.....	7,884	7,884	7,884
Provision for unfunded leave liability (—).....	—8,740	—9,000	—9,000
Retained earnings.....	1,804	1,450	1,450
Total Government investment.....	948	334	334

REAL PROPERTY ACTIVITIES—Continued**Intragovernmental funds—Continued****BUILDINGS MANAGEMENT FUND—Continued****Status of Certain Fund Balances (in thousands of dollars)**

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	12,838	22,519	21,556	22,056
Obligated balance, net:				
Current liabilities.....	29,429	36,304	36,500	38,000
Unpaid undelivered orders.....	10,629	16,210	15,000	15,000
Accepted orders on hand (—).....	-25,459	-43,410	-30,000	-30,000
Accounts receivable, net (—).....	-13,654	-11,195	-12,000	-13,000
Total obligated balance.....	945	-2,091	9,500	10,000
Unobligated balance.....	11,893	24,610	12,056	12,056

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	83,742	89,920	93,347
Positions other than permanent.....	974	975	877
Other personnel compensation.....	2,282	1,976	1,740
Total personnel compensation.....	86,998	92,871	95,964
12 Personnel benefits.....	5,726	7,227	7,464
21 Travel and transportation of persons.....	22	25	25
Payment to interagency motor pools.....	108	115	120
22 Transportation of things.....	58	65	80
23 Rent, communications, and utilities.....	104,700	114,745	122,045
24 Printing and reproduction.....	152	160	160
25 Other services.....	35,614	73,614	74,763
Services of other agencies.....	1,339	1,400	1,500
26 Supplies and materials.....	12,407	12,800	13,000
31 Equipment.....	354	375	375
42 Insurance claims and indemnities.....	16		
Undistributed:			
Adjustment of prior year expense.....	-12		
Working capital transferred to other programs.....	57		
Nonoperating expense.....	95		
Total costs.....	247,635	303,397	315,496
Costs financed from obligations of other years, net (—).....		-1,210	
Obligations incurred for costs of other years, net.....	5,351		
Total obligations.....	252,985	302,187	315,496

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	19,180	19,841	20,710
Full-time equivalent of other positions.....	257	250	225
Average number of all employees.....	18,645	19,562	20,240
Number of employees at end of year.....	19,167	19,685	20,562
Average GS grade.....	4.2	4.2	4.2
Average GS salary.....	\$4,623	\$5,007	\$5,061
Average salary of ungraded positions.....	\$4,382	\$4,500	\$4,496

CONSTRUCTION SERVICES, PUBLIC BUILDINGS

Construction service activities consisting of surveys and test borings performed in connection with the acquisition of Federal building sites; preparation of drawings and specifications for the construction or alteration of public buildings; supervision of construction and alteration activities; and other related services are financed by this fund on a reimbursable basis from funds appropriated,

transferred, or advanced to General Services Administration (40 U.S.C. 296).

Operations.—Initial financing of salaries and related expenses of all personnel engaged in architectural and engineering services in connection with buildings design and construction, both departmental and field, is provided. No increase is projected over the 1961 level.

Operating results.—Retained earnings will be reduced in 1961 to approximately \$100 thousand and maintained at that level.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense:			
Technical services.....	7,379	8,751	8,750
Program direction.....	469	500	500
Total gross expenditures.....	7,848	9,251	9,250
Receipts from operations (funds provided):			
Revenue.....	7,865	9,203	9,250
Decrease in selected working capital.....	1,021	174	100
Total receipts from operations.....	8,886	9,377	9,350
Budget expenditures.....	-1,038	-126	-100

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	7,865	9,203	9,250
Expense.....	7,848	9,251	9,250
Net income or loss (—) for the year.....	17	-48	
Retained earnings, beginning of year.....	131	148	100
Retained earnings, end of year.....	148	100	100

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,273	1,399	1,499
Accounts receivable, net.....	657	800	1,000
Total assets.....	1,930	2,199	2,499
Liabilities:			
Current.....	1,782	2,099	2,399
Unfunded leave liability.....	549	489	429
Total liabilities.....	2,331	2,588	2,828
Government investment:			
Provision for unfunded leave liability (—).....	-549	-489	-429
Retained earnings.....	148	100	100
Total Government investment.....	-401	-389	-329

Note.—Unpaid undelivered orders, 1960, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7,027	8,329	8,362
Positions other than permanent.....	52	32	32
Other personnel compensation.....	91	32	
Total personnel compensation.....	7,171	8,394	8,394
12 Personnel benefits.....	481	622	622
21 Travel and transportation of persons.....	4	5	10
22 Transportation of things.....	3	7	7
23 Rent, communications, and utilities.....	41	62	62

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	78	110	110
25 Other services.....	6	16	10
26 Supplies and materials.....	18	35	35
Adjustment of prior year expense.....	46		
Total costs.....	7,848	9,251	9,250
Increase or decrease (—) in unpaid undelivered orders.....	1	—1	
Total obligations.....	7,849	9,250	9,250

Personnel Summary

Total number of permanent positions.....	1,022	1,088	1,088
Full-time equivalent of other positions.....	14	8	8
Average number of all employees.....	990	1,069	1,069
Number of employees at end of year.....	1,013	1,073	1,073
Average GS grade.....	8.9	9.2	9.2
Average GS salary.....	\$7,189	\$7,851	\$7,885

ADVANCES AND REIMBURSEMENTS, REAL PROPERTY ACTIVITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating expenses, Public Buildings Service (total costs—obligations) (object class 25).....	161	20	20
Financing:			
Advances and reimbursements from other accounts.....	161	20	20

PERSONAL PROPERTY ACTIVITIES

Current authorizations:

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE

For necessary expenses of personal property management and related activities as authorized by law and not otherwise provided for, **[\$3,978,000] \$3,737,000: Provided,** That not to exceed **[\$3,243,500] \$3,935,000** 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. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Utilization and sales.....	2,013	3,107	3,532
2. Supply standards.....	442	498	630
3. Federal catalog participation.....	541	602	869
4. Motor vehicle management.....	197	216	215
5. Supply management.....	349	448	440
6. Procurement policy.....	92	198	170
7. Service direction.....	525	584	583
8. Administrative operations.....	826	1,083	1,220
Total program costs ¹	4,984	6,736	7,659

¹ Includes capital outlay as follows: 1960, \$29 thousand; 1961, \$13 thousand; 1962, \$16 thousand.

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—64	
Obligations incurred for costs of other years, net.....	63		13
Total obligations.....	5,047	6,672	7,672
Financing:			
Comparative transfers to other accounts.....	943	994	
Unobligated balance lapsing.....	55		
New obligational authority.....	6,045	7,665	7,672
New obligational authority:			
Appropriation.....	6,000	7,221	7,672
Transferred from "Operating expenses, Public Buildings Service" (72 Stat. 243).....	45		
Appropriation (adjusted).....	6,045	7,221	7,672
Proposed transfer for pay increases from "Strategic and critical materials".....		444	

This appropriation provides for establishment of efficient personal property management practices throughout the Federal Government.

Fair value of personal property received from other appropriations or funds without cost for use by GSA is as follows: 1960, \$5 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

1. *Utilization and sales.*—Usable excess personal property is screened against the needs of Federal agencies and transferred to such agencies to achieve maximum utilization and obviate new purchases. Excess property not utilized by the Federal Government becomes surplus, and is either donated for educational, public health, or civil defense purposes or released for public sale. In addition, personal property is rehabilitated to extend its useful life and reduce new procurement. The increase for 1962 provides for the rising volume of sales of surplus personal property, acceleration of the rehabilitation program, and for increasing transfers of excess personal property for further use within the Federal Government as follows (acquisition cost in millions of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Utilization transfers.....	141	218	305	350
Excess generated.....	6,900	6,700	8,000	8,000

This activity is financed 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 for 1962 is for the accelerated item reduction (AIR) program, in cooperation with the Department of Defense. The objective is to achieve greater item commonality and reduce the number and variety of items stocked Government-wide, to produce lower administrative costs, expand areas of competition in procurement to produce lower unit costs,

PERSONAL PROPERTY ACTIVITIES—Con.

Current authorizations—Continued

OPERATING EXPENSES, FEDERAL SUPPLY SERVICE—Continued

and reduce investments in inventory. This will be accomplished by thorough technical reviews of item characteristics as related to user requirements and to commercial capabilities and practices. GSA will perform these functions for specific Federal supply classes, and the Department of Defense for other classes, on a Government-wide basis.

3. *Federal catalog participation.*—Uniform catalog identification for each item in civilian agency supply operations is provided and coordination maintained with the Department of Defense in development of a single Federal catalog system. GSA will have completed work on approximately 290,000 items by the end of 1961. The request provides for completing 54,200 additional items in 1962, leaving approximately 356,000 items to be identified. The increase for 1962 is for catalog work in connection with the accelerated item reduction (AIR) program, described above.

4. *Motor vehicle management.*—Government-wide policies and procedures are developed for improving economy and efficiency in the use of Government-operated motor equipment. Motor equipment managerial assistance is furnished to agencies. Interagency motor pools are operated at locations where studies indicate savings and greater efficiency will result.

5. *Supply management.*—Policies and procedures for improving supply operations in Government agencies are developed with due consideration for the potential of automatic data processing, and installation of supply system improvements are coordinated through the conduct of training programs and supply conferences, continuous onsite technical assistance, and by special surveys as required.

6. *Procurement policy.*—Policies and procedures are developed for achieving the maximum of uniformity and simplification of regulations relating to purchasing and contracting throughout the Government.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$68 thousand; 1959 (adjusted), \$51 thousand; 1960, \$114 thousand; 1961, \$50 thousand; 1962, \$63 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,173	4,299	4,994
Positions other than permanent.....	18	6	7
Other personnel compensation.....	39	31	13
Total personnel compensation.....	3,231	4,336	5,013
12 Personnel benefits.....	218	326	377
21 Travel and transportation of persons.....	149	220	251
Payment to interagency motor pools.....	35	41	49
22 Transportation of things.....	14	7	7
23 Rent, communications, and utilities.....	162	205	227
24 Printing and reproduction.....	167	248	296
25 Other services.....	59	38	47
Payment to "Administrative operations fund".....	826	1,083	1,220
Services of other agencies.....	103	103	105
26 Supplies and materials.....	45	54	62
31 Equipment.....	38	12	16
Total obligations.....	5,047	6,672	7,672

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	504	623	706
Full-time equivalent of other positions.....	3	1	1
Average number of all employees.....	462	578	674
Number of employees at end of year.....	505	614	695
Average GS grade.....	8.4	8.4	8.5
Average GS salary.....	\$6,934	\$7,421	\$7,409
Average salary of ungraded positions.....	\$4,430	\$4,541	\$4,541

EXPENSES, SUPPLY DISTRIBUTION

For expenses, not otherwise provided, necessary for *supply distribution, procurement, inspection*, operation of the stores depot system, and [other procurement services, including] contractual services incident to receiving, handling, and shipping warehouse items. [\$22,950,000] \$27,574,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Stores activities:			
Stores operations.....	7,237	8,269	9,320
Space and related costs.....	3,066	2,991	4,106
2. Buying operations.....	4,998	5,710	5,911
3. Inspection operations.....	1,555	2,210	2,399
4. Interagency supply coordination.....	23	95	95
5. Administrative operations.....	4,817	5,337	5,688
Total program costs ¹	21,696	24,612	27,520
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-203	-89	-----
Obligations incurred for costs of other years, net.....	-----	-----	54
Total obligations.....	21,493	24,523	27,574
Financing:			
Comparative transfers from (-) other accounts.....	-943	-994	-----
Unobligated balance lapsing.....	900	-----	-----
New obligational authority.....	21,450	23,530	27,574
New obligational authority:			
Appropriation.....	21,450	22,950	27,574
Transferred from "Operation and maintenance, Army" (5 U.S.C. 630e).....	-----	43	-----
Appropriation (adjusted).....	21,450	22,993	27,574
Proposed transfer for pay increases from "Strategic and critical materials".....	-----	537	-----

¹ Includes capital outlay as follows: 1960, \$219 thousand; 1961, \$119 thousand; 1962, \$49 thousand.

This appropriation provides for expenses of operating the nationwide supply system through which common-use commodities are sold to Government agencies from stocks in supply depots, or by direct delivery from suppliers, whichever is more economical. Except for customer orders placed directly with contractors under Federal supply schedules, most of the purchases of commodities are financed initially from the General supply fund, subject to reimbursement by ordering agencies. Wherever economical and feasible, costs of commodities furnished directly from suppliers are paid directly from funds of the requisitioning agency without involving the General supply fund. Total procurement of supplies and services was

\$862.4 million in 1960 as compared with \$939.8 million programmed for 1961 and \$989 million estimated for 1962.

Fair value of personal property received from other appropriations or funds without cost for use by GSA is as follows: 1960, \$50 thousand; 1961, \$49 thousand; 1962, \$48 thousand.

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. Stores sales reflect a continuous increase as follows: 1957, \$116.4 million; 1958, \$120.7 million; 1959, \$145.5 million; 1960, \$154.3 million; and 1961 and 1962 estimated at \$171.7 million and \$190 million, respectively.

2. *Buying operations.*—Commodities are procured in three ways: (a) Stores type items are procured to maintain inventories at stores depots to insure availability in advance of sales orders; (b) where advantageous, stores-type items and certain other items are procured for direct delivery to agencies and (c) Federal supply schedules (term contracts for common-use commodities and services) are established for large aggregate volume requirements against which agencies place individual orders for direct delivery at uniform price advantages. Total procurement in 1962 is estimated at \$989 million compared to \$939.8 million in 1961 and actual purchases of \$862.4 million in 1960.

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.

4. *Interagency supply coordination.*—This provides for planning the expansion of GSA supply operations for service to Federal agencies, particularly the military services, including the development of improved supply systems, and automatic data processing applications.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$659 thousand; 1959 (adjusted), \$569 thousand; 1960, \$366 thousand; 1961, \$277 thousand; 1962, \$331 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	9,546	11,154	12,447
Positions other than permanent.....	168	160	129
Other personnel compensation.....	376	294	150
Total personnel compensation.....	10,090	11,609	12,726
12 Personnel benefits.....	678	905	1,002
21 Travel and transportation of persons.....	182	247	284
Payment to interagency motor pools.....	71	103	106
22 Transportation of things.....	513	734	942
23 Rent, communications, and utilities.....	2,456	2,333	2,634
24 Printing and reproduction.....	529	631	686
25 Other services.....	1,401	1,872	2,660
Payment to "Administrative operations fund".....	4,817	5,337	5,688
Services of other agencies.....	203	282	334
26 Supplies and materials.....	331	422	462
31 Equipment.....	135	50	49
32 Lands and structures.....	88		
Total obligations.....	21,493	24,523	27,574

Personnel Summary

Total number of permanent positions.....	1,911	2,093	2,286
Full-time equivalent of other positions.....	31	29	24
Average number of all employees.....	1,793	1,989	2,137

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Number of employees at end of year.....	1,833	2,052	2,187
Average GS grade.....	6.6	6.7	6.8
Average GS salary.....	\$5,678	\$6,130	\$6,203
Average salary of ungraded positions.....	\$4,859	\$4,959	\$5,238

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

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), \$8,000,000.

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. Related operating expenses are provided under the appropriation Expenses, supply distribution (5 U.S.C. 630g).

Also financed by the fund and reimbursed by the using agencies are operations of interagency motor equipment pools established in areas of high vehicle density.

Budget program.—The estimates provide for continued increases in sales to the military under the program for progressively expanding use of these supply facilities by Department of Defense, and a slight increase in sales to civilian agencies. Activations of additional interagency motor equipment pools in 1961 and 1962 are also reflected.

Supply distribution.—(a) *Stores items.*—Stocks of common-use commodities are purchased in volume and stored in supply depots for issue to Government agencies. Sales reached an all-time high of \$171.9 million in 1960 and are estimated to increase to \$202.7 million in 1961 and \$227 million in 1962.

(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 estimated to increase from \$97.8 million in 1960 to \$130 million in 1961 with a slight reduction to \$126.8 million in 1962 due to an anticipated decrease in household and quarters furniture sales.

Motor pools.—Services are supplied to agencies through a system of interagency motor pools, still under development, to serve areas of high vehicle density. Sales are estimated to increase from \$14.4 million in 1960 to \$17 million in 1961 and \$19 million in 1962 due to activation of additional motor pools. The number of pools in operation is estimated to increase from 56 in 1960 to 68 in 1961 and 75 in 1962.

Rehabilitation and repair of furniture and equipment.—Furniture and equipment repair services, provided through commercial sources wherever feasible and economical, are estimated to increase from \$1.2 million in 1960 to \$1.5 million in 1961 and \$2.2 million in 1962.

Equipment rental.—Operating equipment necessary to carry out the supply distribution activity is acquired and charged on an accrual basis to the using activities. Col-

PERSONAL PROPERTY ACTIVITIES—Con.

Intragovernmental funds—Continued

GENERAL SUPPLY FUND—Continued

lections from using activities are expected to remain relatively stable through 1962.

Export packing.—Stores and nonstores items are packed for shipment to overseas destinations. Receipts from this operation are expected to increase slightly from \$4.6 million in 1960 to \$5 million in 1961 and 1962.

Other revenue and expense.—Gain or losses on equipment disposals, adjustments between fiscal years, inventory writeoffs, and discounts are applied against operating costs.

Operating results and financial condition.—Investment of the U.S. Government at the end of 1962 is estimated at \$140.2 million, consisting of \$128.8 million in direct appropriations, \$9.7 million donated assets, \$0.6 million capitalized surplus, and retained earnings of \$1.1 million. The estimates reflect \$25 million to be requested in a supplemental appropriation in 1961 and \$8 million requested for appropriation in 1962, required for continued expansion in warehouse and motor pool sales, equipment investment, and improvement of service to customer agencies.

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 so made in 1961 were \$1,013 thousand and it is estimated that \$1,397 thousand will be returned in 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Supply distribution:			
Stores items:			
Acquisition of equipment.....	291	675	800
Purchase of commodities for sale.....	175,664	210,833	233,000
Nonstores items: Purchase of commodities for sale.....	97,797	130,000	126,800
Motor pools:			
Acquisition of equipment.....	7,257	8,310	8,792
Other expense.....	10,330	12,775	14,575
Rehabilitation and repair of furniture and equipment: Other expense.....	1,158	1,499	2,249
Export packing.....	4,428	5,000	5,000
Other operating expense.....	82		
Increase in selected working capital.....	13,945	14,354	
Total gross expenditures.....	310,951	383,446	391,216
Receipts from operations (funds provided):			
Supply distribution:			
Stores items: Revenue.....	171,907	202,700	227,000
Nonstores items: Revenue.....	97,797	130,000	126,800
Motor pools: Revenue.....	14,444	17,000	19,000
Rehabilitation and repair of furniture and equipment: Revenue.....	1,169	1,500	2,250
Equipment rentals: Revenue.....	289	298	365
Export packing: Revenue.....	4,561	5,000	5,000
Proceeds from sale of equipment.....	1,155	1,907	1,946
Other operating revenue.....	1,450	1,000	1,000
Decrease in selected working capital.....			1,422
Total receipts from operations.....	292,770	359,405	384,783
Budget expenditures.....	18,180	24,041	6,433

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Supply distribution:			
Stores items:			
Revenue.....	171,907	202,700	227,000
Expense.....	173,288	202,700	227,000
Net operating loss (—), stores items.....	—1,382		
Nonstores items:			
Revenue.....	97,797	130,000	126,800
Expense.....	97,797	130,000	126,800
Net operating income, nonstores items.....			
Motor pools:			
Revenue.....	14,444	17,000	19,000
Expense.....	13,744	16,900	18,900
Net operating income, motor pools.....	701	100	100
Rehabilitation and repair of furniture and equipment:			
Revenue.....	1,169	1,500	2,250
Expense.....	1,159	1,500	2,250
Net operating income, rehabilitation and repair of furniture and equipment.....	10		
Equipment rental:			
Revenue.....	289	298	365
Expense.....	289	298	365
Net operating income, equipment rental.....			
Export packing:			
Revenue.....	4,561	5,000	5,000
Expense.....	4,428	5,000	5,000
Net operating income, export packing.....	133		
Other operating income or expense:			
Revenue.....	1,450	1,000	1,000
Expense.....	82		
Net other operating income.....	1,368	1,000	1,000
Nonoperating income:			
Proceeds from sale of equipment.....	1,155	1,907	1,946
Net book value of assets sold (—).....	—1,003	—1,610	—1,946
Net gain from sale of equipment.....	152	297	
Equipment adjustment.....	1		
Equipment transferred from other sources, net.....	27		
Net nonoperating income.....	180	297	
Net income for the year.....	1,010	1,397	1,100
Analysis of retained earnings:			
Retained earnings, beginning of year.....	2,532	1,013	1,397
Payment of earnings to Treasury (—).....	—2,532	—1,013	—1,397
Adjustment of prior year transactions affecting equipment.....	4		
Retained earnings, end of year.....	1,013	1,397	1,100

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	14,997	14,943	15,113
Accounts receivable, net.....	55,963	65,927	65,000
Advances.....	79		
Inventories for sale.....	55,467	63,600	69,600
Supplies, deferred charges, etc.....	227	345	345
Equipment, net.....	22,000	26,351	29,906
Total assets.....	148,733	171,166	179,964
Liabilities:			
Current.....	43,587	39,237	39,732

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Non-interest-bearing capital:			
Start of year.....	102,048	104,132	130,532
Appropriation during year.....			8,000
Supplemental appropriation proposed for later transmission.....		25,000	
Donations during year.....	2,084	1,400	600
End of year.....	104,132	130,532	139,132
Retained earnings.....	1,013	1,397	1,100
Total Government investment.....	105,146	131,929	140,232

Note.—Unpaid undelivered orders are as follows: 1959, \$69,902 thousand; 1960, \$109,172 thousand; 1961, \$121,176 thousand; 1962, \$125,233 thousand. Accepted orders on hand are as follows: 1959, \$50,175 thousand; 1960, \$61,870 thousand; 1961, \$67,859 thousand; 1962, \$70,130 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
GENERAL SERVICES ADMINISTRATION			
Direct costs:			
31 Equipment.....	7,548	8,985	9,592
Reimbursable costs:			
11 Personnel compensation:			
Permanent positions.....	2,279	3,057	3,353
Positions other than permanent.....	58		
Other personnel compensation.....	59	12	
Total personnel compensation.....	2,396	3,068	3,353
12 Personnel benefits.....	158	219	247
21 Travel and transportation of persons.....	66	70	80
Payment to interagency motor pools.....	18	25	30
22 Transportation of things.....	3,068	3,568	3,800
23 Rent, communications, and utilities.....	421	545	650
24 Printing and reproduction.....	26	40	50
25 Other services.....	4,096	5,116	6,050
Payment to "Administrative operations fund".....	383	445	445
Services of other agencies.....	154	300	400
26 Supplies and materials.....	4,427	5,200	6,041
Materials supplied to other agencies.....	271,085	332,700	353,800
Total reimbursable costs.....	286,298	351,296	374,946
Total, General Services Administration.....	293,846	360,281	384,538
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
25 Other services: Services of other agencies.....	678	678	678
Total costs.....	294,524	360,959	385,216
Obligations incurred for costs of other years, net.....	41,745	20,177	10,057
Total obligations.....	336,269	381,136	395,273

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	468	554	595
Full-time equivalent of other positions.....	10		
Average number of all employees.....	413	517	564
Number of employees at end of year.....	465	552	590
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,707	\$6,192	\$6,233
Average salary of ungraded positions.....	\$5,615	\$5,638	\$5,648

ADMINISTRATIVE EXPENSES, FOREIGN AID PROCUREMENTS

This fund was established to account for expenses incurred rendering foreign aid procurement to the Inter-

national Cooperation Administration (22 U.S.C. 1782). Earnings credited to the fund are derived from mutually agreed upon advances based on program workload received. Beginning with 1961, provision was made to finance these expenses from appropriated funds.

Operations.—Program workload arose from purchase authorizations received from the International Cooperation Administration. Services are programed in 1961 and 1962 under the appropriations Expenses, supply distribution, and Operating expenses, Transportation and Public Utilities Service.

Operating results.—Net earnings have been retained to insure financing of operating costs notwithstanding fluctuations in operating revenue. The unobligated balance will be returned to International Cooperation Administration in 1961 after obligations are liquidated.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	5		
Expense.....	958	4	
Refund of surcharge income to International Cooperation Administration.....	61	227	
Increase in selected working capital.....		44	
Total gross expenditures.....	1,024	275	
Receipts from operations (funds provided):			
Revenue.....	16		
Decrease in selected working capital.....	5		
Total receipts from operations.....	21		
Budget expenditures.....	1,003	275	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	16		
Expense.....	958	4	
Net operating loss (—).....	—941	—4	
Nonoperating loss (—):			
Refund of surcharge income to International Cooperation Administration (—).....	—61	—227	
Equipment transferred out (—) without charge.....	—3	—2	
Net loss (—) for the year.....	—1,005	—233	
Retained earnings, beginning of year.....	1,239	234	
Retained earnings, end of year.....	234		

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	275		
Equipment, net.....	2		
Total assets.....	277		
Liabilities:			
Current.....	44		
Unfunded leave liability.....	63		
Total liabilities.....	107		
Government investment:			
Provision for unfunded leave liability (—).....	—63		
Retained earnings.....	234		
Total Government investment.....	170		

Note.—Unpaid undelivered orders 1960, \$4 thousand.

PERSONAL PROPERTY ACTIVITIES—Con.

Intragovernmental funds—Continued

ADMINISTRATIVE EXPENSES, FOREIGN AID PROCUREMENTS—CON.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	588		
Other personnel compensation.....	10		
Total personnel compensation.....	598		
12 Personnel benefits.....	40		
21 Travel and transportation of persons.....	13		
Payment to interagency motor pools.....	11		
23 Rent, communications, and utilities.....	15		
24 Printing and reproduction.....	22		
25 Other services.....	41	3	
Payment to "Administrative operations fund".....	210		
Services of other agencies.....	1		
26 Supplies and materials.....	6		
31 Equipment.....	5	1	
Total costs.....	963	4	
Increase or decrease (—) in unpaid undelivered orders.....	4	—4	
Total obligations.....	967		

Personnel Summary

Total number of permanent positions.....	114		
Average number of all employees.....	100		
Number of employees at end of year.....	98		
Average GS grade.....	7.1		
Average GS salary.....	\$5,867		

ADVANCES AND REIMBURSEMENTS, PERSONAL PROPERTY ACTIVITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Civil defense warehousing.....	2,067	2,152	2,152
2. Operating expenses, Federal Supply Service.....	24	79	79
3. Expenses, supply distribution.....	1,342	2,000	2,000
Total program costs ¹	3,433	4,231	4,231
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	31		
Total obligations.....	3,463	4,231	4,231
Financing:			
Advances and reimbursements from—			
Other accounts.....	3,510	4,231	4,231
Non-Federal sources (5 U.S.C. 61(b)).....	1		
Unobligated balance lapsing.....	—48		
Total financing.....	3,463	4,231	4,231

¹ Includes capital outlay as follows: 1960, \$49 thousand; 1961, \$16 thousand; 1962, \$16 thousand.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$117 thousand; 1959 (adjusted), \$111 thousand; 1960, \$142 thousand; 1961, \$142 thousand; 1962, \$142 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,518	1,918	1,925
Positions other than permanent.....	49	33	33
Other personnel compensation.....	72	30	22
Total personnel compensation.....	1,639	1,980	1,980
12 Personnel benefits.....	100	160	160
21 Travel and transportation of persons.....	25	27	27
Payment to interagency motor pools.....	4	5	5
22 Transportation of things.....	282	416	416
23 Rent, communications, and utilities.....	517	552	552
24 Printing and reproduction.....	4	9	9
25 Other services.....	368	568	568
Payment to "Administrative operations fund".....	75	80	80
Services of other agencies.....	56	51	51
26 Supplies and materials.....	344	367	367
31 Equipment.....	49	16	16
Total obligations.....	3,463	4,231	4,231

Personnel Summary

Total number of permanent positions.....	357	389	389
Full-time equivalent of other positions.....	10	6	6
Average number of all employees.....	326	374	373
Number of employees at end of year.....	348	382	382
Average GS grade.....	4.8	5.0	5.0
Average GS salary.....	\$4,730	\$5,205	\$5,258
Average salary of ungraded positions.....	\$5,032	\$5,225	\$5,225

RECORDS ACTIVITIES

Current authorizations:

OPERATING EXPENSES, NATIONAL ARCHIVES AND RECORDS SERVICE

For necessary expenses in connection with Federal records management and related activities as provided by law, including reimbursement for security guard services, and contractual services incident to movement or disposal of records, **[\$9,420,000]** \$14,159,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Records management and centers.....	9,220	9,725	9,608
2. Archives and related services.....	2,908	3,269	3,346
3. Service direction.....	494	511	530
4. Administrative operations.....	574	675	675
Total program costs ¹	13,196	14,180	14,159
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	37	21	
Total obligations.....	13,233	14,201	14,159
Financing:			
Comparative transfers from (—) other accounts.....	—3,864		
Unobligated balance lapsing.....	36		
New obligational authority.....	9,404	14,201	14,159

¹ Includes capital outlay as follows: 1960, \$131 thousand; 1961, \$130 thousand; 1962, \$130 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	9,177	9,420	14,159
Transferred (5 U.S.C. 630e) from—			
"Operation and maintenance, Army".....	228	2,600	-----
"Operation and maintenance, Navy".....	-----	671	-----
"Operation and maintenance, Air Force".....	-----	811	-----
Appropriation (adjusted).....	9,404	13,502	14,159
Proposed transfer for pay increases from "Strategic and critical materials".....	-----	699	-----

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. The estimate for 1962 is \$102 thousand less than 1961 financing.

In 1962 records in custody of the National Archives and Federal records centers will total 8 million cubic feet, the equivalent of 1.3 million four-drawer filing cabinets. Reference services will total 5.3 million.

Fair value of personal property received from other appropriations or funds without cost for use by GSA is as follows: 1960, \$19 thousand; 1961, \$13 thousand; 1962, \$14 thousand.

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 and administered in regional Federal records centers serving specified geographical areas. National centers at St. Louis administer records of veterans of the armed services and records of former civilian employees of the Government, and maintain a locator file for civilians currently employed. In addition to civilian agencies, records center facilities are now furnished to the entire Naval Establishment, the Army, and Air Force at the seat of government, and for selected Army and Air Force records throughout the world.

The workload in Federal records centers is shown in the following table:

	1960 actual	1961 estimate	1962 estimate
Regional centers:			
Records administered (millions of cubic feet).....	6.17	6.49	6.73
Unit cost per cubic foot of records administered.....	\$0.590	\$0.598	\$0.593
Reference services (millions).....	2.95	2.97	3.10
National personnel centers:			
Reference services (thousands).....	1,481	1,660	1,720
Interfiling documents (thousands).....	3,247	3,505	3,530

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.

The increase in 1962 is to provide for additional workload in the Office of the Federal Register, and for full year operation of the Eisenhower Library.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$144 thousand; 1959 (adjusted), \$122 thousand; 1960, \$159 thousand; 1961, \$180 thousand; 1962, \$180 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	9,373	10,233	10,362
Positions other than permanent.....	23	-----	-----
Other personnel compensation.....	108	74	34
Total personnel compensation.....	9,504	10,307	10,396
12 Personnel benefits.....	715	828	833
21 Travel and transportation of persons.....	52	76	85
Payment to interagency motor pools.....	20	15	15
22 Transportation of things.....	127	94	94
23 Rent, communications, and utilities.....	1,353	1,406	1,155
24 Printing and reproduction.....	74	101	102
25 Other services.....	206	231	309
Payment to "Administrative operations fund".....	574	675	675
Services of other agencies.....	147	52	53
26 Supplies and materials.....	295	291	312
31 Equipment.....	38	25	30
32 Lands and structures.....	128	100	100
Total obligations.....	13,233	14,201	14,159

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	1,915	1,898	1,904
Full-time equivalent of other positions.....	6	-----	-----
Average number of all employees.....	1,825	1,838	1,846
Number of employees at end of year.....	1,863	1,850	1,858
Average GS grade.....	5.5	5.5	5.5
Average GS salary.....	\$5,192	\$5,680	\$5,731
Average salary of ungraded positions.....	\$4,807	\$4,771	\$4,771

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, RECORDS ACTIVITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating expenses, National Archives and Records Service (total costs—obligations).....	81	65	65
Financing:			
Advances and reimbursements from other accounts.....	81	65	65

Object Classification (in thousands of dollars)

	1960	1961	1962
11 Personnel compensation: Permanent positions.....	31	20	20
12 Personnel benefits.....	-----	1	1
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	1	1	1

RECORDS ACTIVITIES—Continued**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS, RECORDS ACTIVITIES—Con.****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	13	14	14
26 Supplies and materials.....	34	28	28
Total obligations.....	81	65	65

Personnel Summary

Total number of permanent positions.....	5	4	4
Average number of all employees.....	4	3	3
Number of employees at end of year.....	5	3	3
Average GS grade.....	10.5	7.0	7.0
Average GS salary.....	\$8,902	\$5,533	\$5,699
Average salary of ungraded positions.....	\$5,671	\$5,671	\$5,671

TRANSPORTATION AND UTILITIES ACTIVITIES**Current authorizations:****OPERATING EXPENSES, TRANSPORTATION AND PUBLIC UTILITIES SERVICE**

For necessary expenses of transportation and public utilities management and related activities, as provided by law, 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, **[\$2,375,000] \$2,500,000.** (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Transportation services.....	1,339	1,750	1,725
2. Public utilities management.....	202	252	239
3. Service direction.....	141	141	143
4. Administrative operations.....	306	393	393
Total program costs ¹	1,988	2,536	2,500
5. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-34		
Total obligations.....	1,954	2,536	2,500
Financing:			
Comparative transfers from (-) other accounts.....	-13		
Unobligated balance lapsing.....	59		
New obligational authority.....	2,000	2,536	2,500
New obligational authority:			
Appropriation.....	2,000	2,375	2,500
Proposed transfer for pay increases from "Strategic and critical materials".....		161	

¹ Includes capital outlay as follows: 1960, \$49 thousand; 1961, \$4 thousand.

This appropriation provides for improving management of transportation and public utility services in civilian agencies, protecting the Government's interests in cases before regulatory bodies, and furnishing services to civilian agencies in these specialized fields.

1. *Transportation services.*—Plans and procedures for improving transportation practices and operations in civilian agencies are developed; reasonable rates are nego-

tiated with carriers; interests of the Government as a user in proceedings before regulatory bodies are protected; and procurement assistance, rates, routing, and related services are supplied to executive agencies.

2. *Public utilities management.*—As a central management activity for civilian executive agencies, studies of equipment utilization, service, rates and economic factors are made and contracts negotiated. Negotiations are conducted with public utilities companies on behalf of executive agencies and technical assistance is rendered in connection with regulatory proceedings. Representation is also provided at rate proceedings involving communications common carriers relating to the semiautomatic ground environment system (SAGE) for early defense warning (50 U.S.C.A. 491).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$52 thousand; 1959 (adjusted), \$49 thousand; 1960, \$15 thousand; 1961, \$15 thousand; 1962, \$15 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,342	1,803	1,796
Positions other than permanent.....	11	16	8
Other personnel compensation.....	15	7	
Total personnel compensation.....	1,368	1,826	1,804
12 Personnel benefits.....	98	135	134
21 Travel and transportation of persons.....	28	30	43
Payment to interagency motor pools.....	3	3	4
22 Transportation of things.....	4		
23 Rent, communications, and utilities.....	36	41	41
24 Printing and reproduction.....	35	37	39
25 Other services.....	18	36	9
Payment to "Administrative operations fund".....	306	393	393
Services of other agencies.....	6	6	6
26 Supplies and materials.....	26	28	27
31 Equipment.....	26		
Total obligations.....	1,954	2,536	2,500

Personnel Summary

Total number of permanent positions.....	218	249	238
Full-time equivalent of other positions.....	2	3	0
Average number of all employees.....	193	240	238
Number of employees at end of year.....	210	238	238
Average GS grade.....	8.7	8.7	8.6
Average GS salary.....	\$7,018	\$7,575	\$7,567

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS, TRANSPORTATION AND UTILITIES ACTIVITIES****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operating expenses, Transportation and Public Utilities Service.....	22	20	16
2. Civil defense warehousing.....	14	15	15
Total program costs—obligations.....	36	35	31
Financing:			
Advances and reimbursements from other accounts.....	36	35	31

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	32	31	28
Other personnel compensation.....	1		
Total personnel compensation.....	32	31	28
12 Personnel benefits.....	2	2	2
21 Travel and transportation of persons.....	2	1	
23 Rent, communications, and utilities.....		1	1
Total obligations.....	36	35	31

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	6	6	5
Average number of all employees.....	6	5	4
Number of employees at end of year.....	5	4	4
Average GS grade.....	7.3	7.8	7.6
Average GS salary.....	\$5,793	\$6,337	\$6,448

DEFENSE MATERIALS ACTIVITIES

Current authorizations:

STRATEGIC AND CRITICAL MATERIALS

For necessary expenses in carrying out the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98-98[b]h), during the current fiscal year, for transportation and handling, within the United States (including charges at United States ports), storage, security, and maintenance of strategic and [critical] other 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)), 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 reimbursement for security guard services, services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), and not to exceed **[\$2,948,000] \$3,015,000** for operating expenses, **[\$30,000,000]** with which shall be merged the unobligated balances of funds remaining available under this head on June 30, 1960 **[\$40,000,000]**: *Provided*, That no part of funds available shall be used for construction of warehouses or tank storage facilities: *Provided further*, That during the current fiscal year the General Services Administration is authorized to acquire leasehold interests in property, for periods not in excess of twenty years, for the storage, security, and maintenance of strategic, critical, and other materials and equipment held pursuant to the aforesaid Acts: *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 section 6(a) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)), may be transferred without reimbursement to stockpiles established in accordance with said Act: *Provided further*, That any receipts from sales during the current fiscal year shall be promptly deposited into the Treasury: *Provided further*, That during the current fiscal year materials in the inventory maintained under the Defense Production Act of 1950, as amended, shall be available, without reimbursement, for transfer at fair market value to contractors as payment for expenses of refining, processing, or otherwise benefiting materials, pursuant to section 3(c) of the Strategic and Critical Materials Stock Piling Act, into a form best suitable for stockpiling. (Independent Offices Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
I. Acquisition of materials:			
(a) New materials.....	3,817	3,900	3,900
(b) Upgrading materials.....	2,015	5,400	860
Total, acquisition of materials.....	5,832	9,300	4,760

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Inventory management:			
(a) Rotation of materials.....	23,098	17,250	19,890
(b) Storage of materials.....	13,533	13,670	13,670
(c) Physical inventoring.....	2,015	800	
(d) Disposal of materials.....		1,810	2,100
Total, inventory management.....	38,646	33,530	35,660
3. National industrial equipment reserve:			
(a) Transportation, processing and storage.....	1,209	2,560	2,260
(b) Expansion of facilities.....	429		
Total, national industrial equipment reserve.....	1,638	2,560	2,260
4. Operating expenses:			
(a) Service direction.....	223	268	260
(b) Program.....	1,682	1,797	1,783
(c) Administrative operations.....	1,128	1,035	957
Total, operating expenses.....	3,033	3,100	3,000
5. Adjustment of prior year costs.....	478		
Total program costs ¹	49,627	48,490	45,680
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-14,076	-5,478	-5,680
Total obligations.....	35,551	43,012	40,000
Financing:			
Comparative transfers to other accounts.....	29		
Unobligated balance brought forward.....	-108,371	-30,141	
Recovery of prior year obligations.....	-9,700		
Unobligated balance carried forward.....	30,141		
Unobligated balance rescinded (73 Stat. 506).....	52,351		
Unobligated balance lapsing.....		13,365	
New obligational authority.....		26,236	40,000
New obligational authority:			
Appropriation.....		30,000	40,000
Proposed transfers for pay increases to—			
“Operating expenses, Public Buildings Service”.....		-1,917	
“Operating expenses, Federal Supply Service”.....		-444	
“Expenses, supply distribution”.....		-537	
“Operating expenses, National Archives and Records Service”.....		-699	
“Operating expenses, Transportation and Public Utilities Service”.....		-161	
“Salaries and expenses, Office of Administrator”.....		-7	

¹ Includes capital outlay as follows: 1960, \$77 thousand; 1961, \$60 thousand; 1962, \$60 thousand.

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.

The 1962 obligational program of \$40 million is to provide \$2.1 million for new material acquisition and upgrading of existing materials required to meet stockpiling

DEFENSE MATERIALS ACTIVITIES—Con.

Current authorizations—Continued

STRATEGIC AND CRITICAL MATERIALS—Continued

objectives, \$32.7 million for inventory management and rotation of material subject to deterioration, \$2.2 million for national industrial equipment reserve activities, and \$3 million operating expenses. Increases in the rotation and disposal programs are more than offset by reductions in operating expenses, upgrading, and national industrial equipment reserve programs, resulting in a net reduction of \$3 million in obligations in 1962 from 1961. The Strategic and critical materials appropriation became an annual account in 1961; therefore, no unobligated balance is available for 1962 requirements.

In arriving at requirements to meet stockpile objectives, all U.S. Government inventories of strategic materials in GSA custody are taken into account. Data below reflect in composite the extent to which national stockpile objectives as of June 30, 1960, are provided: (a) from financing under the Strategic and Critical Materials Stock Piling Act, and (b) under all U.S. Government programs involving strategic materials.

Basic objectives are valued at \$2,336.3 million and maximum objectives at \$4,659.4 million. June 30, 1960, prices have been used.

STATUS OF ACQUISITION—MATERIAL IN INVENTORY AND ON ORDER

[In millions of dollars]

	1960 actual		1961 estimate		1962 estimate	
	National stockpile	All Government programs	National stockpile	All Government programs	National stockpile	All Government programs
In inventory:						
Basic objectives.....	2,277.6	2,319.4	2,280.9	2,326.9	2,282.6	2,330.1
Maximum objectives.....	4,303.0	4,607.3	4,307.0	4,624.2	4,308.6	4,627.6
On order:						
Basic objectives.....	1.7	8.3	0.1	2.4	-----	0.8
Maximum objectives.....	2.4	20.2	0.1	4.8	-----	3.1
Total:						
Basic objectives.....	2,279.3	2,327.7	2,281.0	2,329.3	2,282.6	2,330.9
Maximum objectives.....	4,305.4	4,627.5	4,307.1	4,629.0	4,308.6	4,630.7
Balance to be acquired:						
Basic objectives.....	57.0	8.6	55.3	7.0	53.7	5.4
Maximum objectives.....	354.0	31.9	352.3	30.3	350.8	28.7

1. *Acquisition of materials*—(a) *New materials*.—Direct acquisitions for the national stockpile are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
New materials.....	1,622	1,824	1,754

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, 1960 ACTUAL

	National stockpile		All Government programs	
	Basic objectives	Maximum objectives	Basic objectives	Maximum objectives
Percent completed:				
100.....	62	49	69	62
90 to 99.....	1	6	2	5
75 to 89.....	2	5	2	2
50 to 74.....	4	6	1	5
25 to 49.....	5	7	1	1
Under 25.....	1	2	---	---
Total.....	75	75	75	75

NUMBER OF MATERIALS, 1962 ESTIMATE

	National stockpile		All Government programs	
	Basic objectives	Maximum objectives	Basic objectives	Maximum objectives
Percent completed:				
100.....	63	50	70	63
90 to 99.....	1	6	3	5
75 to 89.....	2	5	1	3
50 to 74.....	4	6	1	4
25 to 49.....	4	6	---	---
Under 25.....	1	2	---	---
Total.....	75	75	75	75

(b) *Upgrading materials*.—Stockpiled materials are upgraded to more usable forms in order to provide a minimum readiness inventory of materials in forms suitable for immediate use to meet the initial surge of demand and 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.

Acquisition cost of these inventories is as follows (in millions of dollars):

	1960 actual	1962 estimate
National stockpile.....	6,153.5	6,017.1
U.S. supplemental stockpile.....	754.2	1,094.2
Total national and supplemental.....	6,907.7	7,111.3

(a) *Rotation of materials*.—Perishable materials in the stockpile are rotated periodically to prevent deterioration and replaced with fresh materials to maintain the quality of the stockpile. Materials to be rotated in 1962 are castor oil, cordage fibers, feathers and down, shellac, and sperm oil. Rotation sales and costs are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Gross replacement costs of materials rotated.....	14,395	15,465	18,000
Rotation sales.....	69,376	12,244	14,758
Net cost (—) or income to Government.....	54,981	—3,221	—3,242

(b) *Storage of materials*.—Strategic materials were stored at 215 locations as of June 30, 1960, utilizing approximately 25 million square feet of closed storage; 57 million square feet of open storage; and 2 million barrels of tank storage. Total weight of materials in national and supplemental stockpiles approximated 33.7 million tons on June 30, 1960, and it is estimated that approximately 3 million tons a year will be added to the supplemental stockpile in 1961 and 1962. Distribution of storage costs is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Recurring storage costs.....	10,091	10,296	10,337
Nonrecurring storage costs.....	2,535	2,136	2,119
Relocation transportation and handling....	110	252	236
Net cost.....	12,736	12,684	12,692
Reimbursable operations.....	1,323	-----	-----
Total cost or estimate.....	13,059	12,684	12,692

¹ Deposited to miscellaneous receipts of the Treasury in 1960.

(c) *Physical inventorying*.—The physical inventory was initiated in 1957, and substantially completed by June 30, 1960. Minor expenses to close out the program in 1961 are included under estimates for storage of materials.

(d) *Disposal of materials.*—This covers handling and transportation expenses incurred in connection with the disposal of materials no longer required for stockpile objectives. Disposals in 1961 and 1962, expected to cover more than 200,000 short tons each year, are planned for materials in excess of revised objectives such as rubber and cordage fibers; materials removed from the stockpiling list such as coconut and palm oils; and various lots of subspecification metals, minerals, ores and other materials. Costs previously have been included in storage, and such expenses for rotation of perishable materials without replacement are included in rotation for 1960.

3. *National industrial equipment reserve.*—The reserve of Government-owned machine tools and other 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.

Items in the national industrial equipment reserve are intended primarily for the expansion in an emergency of defense-supporting industries such as manufacturers of ball bearings, gears, tools and dies, and machine tools. Each of the military departments also maintains a reserve of production equipment for current and mobilization requirements of direct military contractors and producers specifically designated as mobilization suppliers.

The Department of Defense estimates that for 1961 and 1962 approximately 3,000 items will be selected annually for the NIER from excess declarations of production equipment. Budget estimate for 1962 is based on anticipated receipt of 2,500 items. Items received in 1960 totaled 2,349.

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. Although the decrease in workload in 1962 from 1961 will be limited, an overall reduction of \$117 thousand is planned in 1962.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$43,918 thousand; 1959 (adjusted), \$28,141 thousand; 1960, \$14,065 thousand; 1961, \$8,587 thousand; 1962, \$2,907 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,056	3,412	3,433
Positions other than permanent.....	151	56	31
Other personnel compensation.....	37	17	2
Total personnel compensation.....	3,244	3,484	3,467
12 Personnel benefits.....	210	261	262
21 Travel and transportation of persons.....	88	110	110
Payment to interagency motor pools.....	33	32	26
22 Transportation of things.....	3,278	4,011	4,262
23 Rent, communications, and utilities.....	63	72	66
24 Printing and reproduction.....	19	22	20
25 Other services.....	8,863	10,999	6,002
Payment to "Administrative operations fund".....	1,128	1,035	957
Services of other agencies.....	5,749	6,948	6,931
26 Supplies and materials.....	12,783	15,979	17,858
31 Equipment.....	78	58	39
32 Lands and structures.....	15		
Total obligations.....	35,551	43,012	40,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	559	540	535
Full-time equivalent of other positions.....	32	13	7
Average number of all employees.....	536	538	532
Number of employees at end of year.....	548	522	535
Average GS grade.....	7.7	7.7	7.9
Average GS salary.....	\$6,510	\$7,106	\$7,181
Average salary of ungraded positions.....	\$5,381	\$5,591	\$5,591

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Expansion of defense production," funds appropriated to the President.

Public enterprise funds:

ABACA FIBER PROGRAM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operating program:			
(a) Cost of fiber sold.....	882		
(b) Administrative expenses.....	24		
(c) Contract cancellation.....	11		
(d) Undistributed:			
Loss on sale of supplies.....	226		
Loss on disposal of fixed assets.....	1,125		
Other expense.....	2		
Total operating program.....	2,270		
2. Standby program (maintenance of acreage and other property).....	87		
Total program costs.....	2,357		
3. Unfunded adjustments to total program costs:			
Depreciation included above (—).....	—124		
Loss on disposal of fixed assets (—).....	—1,125		
Property loss included in production cost.....	—30		
Total program costs, funded.....	1,078		
4. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—480		
Total obligations.....	598		
Financing:			
Amounts becoming available: Revenue and receipts:			
Sales of fiber.....	562		
Proceeds from disposal of fixed assets.....	363		
Recovery of prior year obligations.....		2	
Total amounts becoming available.....	925	2	
Unobligated balance brought forward.....	2,260	386	
Total amounts available.....	3,185	389	
Capital transfer (repayment of investment to Treasury) (—).....	—2,200	—389	
Unobligated balance carried forward.....	—386		
Financing applied to program.....	598		

The Central American abaca production program authorized by 50 U.S.C. 541 has been administered by General Services Administration since July 1, 1954.

DEFENSE MATERIALS ACTIVITIES—Con.

Public enterprise funds—Continued

ABACA FIBER PROGRAM—Continued

The program was completed in 1960 and all assets sold. Cash and other assets on June 30, 1960, amounted to \$448 thousand. After payment of remaining liabilities, cash of \$389 thousand will be returned to Treasury in 1961.

Since inception of the program in 1942, fiber production, used primarily for war and defense requirements, totaled approximately 342.3 million pounds. Gross expenditures of \$90.5 million were offset by revenue of \$69.5 million leaving the Government's loss at \$21 million.

4. *Relation of costs to obligations.*—The relation of costs to obligations is derived from year-end balances of selected resources and applicable adjustment, as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories, deferred charges, etc.....	477	2	-----	-----
Unpaid undelivered orders.....	5	-----	-----	-----
Total selected resources at end of year.....	482	2	-----	-----
Selected resources at start of year (—).....	-----	—482	—2	-----
Adjustment due to recovery of prior year obligations.....	-----	-----	2	-----
Cost financed from obligations of other years, net (—).....	-----	—480	-----	-----

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Operating program: Expense:			
Cost of producing fiber for sale.....	611	-----	-----
Other expense.....	37	-----	-----
Loss on sale of supplies.....	226	-----	-----
Standby program: Standby maintenance cost.....	23	-----	-----
Total gross expenditures.....	897	-----	-----
Receipts from operations (funds provided):			
Operating program:			
Revenue.....	562	-----	-----
Undistributed receipts:			
Proceeds from disposal of fixed assets.....	363	-----	-----
Decrease in selected working capital.....	991	46	-----
Total receipts from operations.....	1,916	46	-----
Budget expenditures.....	—1,019	—46	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Operating program:			
Revenue.....	562	-----	-----
Expense.....	889	-----	-----
Net operating loss (—), operating program.....	—327	-----	-----
Standby program: Expense (net operating loss (—)).....	—87	-----	-----
Nonoperating loss (—):			
Proceeds from disposal of fixed assets.....	363	-----	-----
Net book value of fixed assets disposed (—).....	—1,518	-----	-----
Net loss (—) from disposal of fixed assets.....	—1,155	-----	-----
Loss on sale of supplies (—).....	—226	-----	-----
Net nonoperating loss (—).....	—1,381	-----	-----
Net loss (—) for the year.....	—1,795	-----	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Deficit (—), beginning of year.....	—9,482	—11,277	-----
Deficit (—), end of year.....	—11,277	—11,277	-----

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	343	-----	-----
Accounts receivable, net.....	105	-----	-----
Deferred charges.....	2	-----	-----
Total assets.....	450	-----	-----
Liabilities:			
Current.....	61	-----	-----
Government investment:			
Non-interest-bearing capital:			
Start of year.....	13,866	11,666	-----
Repayment of investment to Treasury (—).....	—2,200	—389	-----
End of year.....	11,666	11,277	-----
Deficit (—).....	—11,277	—11,277	-----
Total Government investment.....	389	-----	-----

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	1,524	343	-----	-----
Obligated balance, net:				
Current liabilities.....	448	61	-----	-----
Unpaid undelivered orders.....	5	-----	-----	-----
Accounts receivable, net (—).....	—1,189	—105	-----	-----
Total obligated balance.....	—736	—44	-----	-----
Unobligated balance.....	2,260	386	-----	-----

LIMITATION ON ADMINISTRATIVE EXPENSES, ABACA FIBER PROGRAM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Program supervision.....	11	-----	-----
2. Administrative operations.....	14	-----	-----
Total accrued expenses—costs.....	25	-----	-----
Financing:			
Unobligated balance lapsing.....	22	-----	-----
Limitation.....	47	-----	-----

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	15	-----	-----
Deduct excess of annual leave taken over leave earned.....	7	-----	-----
Total personnel compensation.....	8	-----	-----
12 Personnel benefits.....	1	-----	-----
21 Travel and transportation of persons.....	1	-----	-----
25 Other services: Payment to "Administrative operations fund".....	14	-----	-----
Total accrued expenses—costs.....	25	-----	-----

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2		
Average number of all employees.....	2		
Number of employees at end of year.....	0		
Average GS grade.....	9.5		
Average GS salary.....	\$8,435		

**DEFENSE PRODUCTION GUARANTEES, DEFENSE MATERIALS
ACTIVITIES**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loan guarantee expense (total costs—obligations) (object class 25).....	6	5	4
Financing:			
Amounts becoming available: Revenue and receipts:			
Repayment of acquired loan.....	72	106	
Loan guarantee fees.....	672	216	90
Total amounts becoming available.....	744	322	90
Unobligated balance brought forward.....	5,147	5,885	6,202
Total amounts available.....	5,891	6,207	6,292
Unobligated balance carried forward.....	-5,885	-6,202	-6,288
Financing applied to program.....	6	5	4

Guarantees 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.)

The Government's maximum contingent liability as guarantor on one loan now in effect is estimated to be \$14.9 million at the end of 1962, compared to \$33.6 million on three loans June 30, 1960. In addition, the Government has a commitment to guarantee \$21 million on a new loan and \$28 million under a refinancing agreement covering the loan now in effect. Retained earnings are estimated to be \$6.3 million at the end of 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loan guarantee expense.....	6	5	4
Receipts from operations (funds provided):			
Loan guarantee fees.....	672	216	90
Repayment of acquired loan.....	72	106	
Decrease in selected working capital.....	24	127	6
Total receipts from operations.....	768	449	96
Budget expenditures.....	-763	-444	-92

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue: Loan guarantee fees.....	672	216	90
Expense: Loan guarantee expense.....	6	5	4
Net income for the year.....	667	211	86
Retained earnings, beginning of year.....	5,325	5,991	6,202
Retained earnings, end of year.....	5,991	6,202	6,288

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	5,732	6,176	6,268
Accounts receivable, net.....	154	27	21
Loans receivable.....	106		
Total assets.....	5,992	6,203	6,289
Liabilities:			
Current.....	1	1	1
Government investment:			
Retained earnings.....	5,991	6,202	6,288

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	4,970	5,732	6,176	6,268
Obligated balance, net:				
Current liabilities.....		1	1	1
Accounts receivable, net (-).....	-177	-154	-27	-21
Total obligated balance.....	-177	-153	-26	-20
Unobligated balance.....	5,147	5,885	6,202	6,288

Note.—Loan guarantees outstanding, not included above, are as follows: 1959, \$41,266 thousand; 1960, \$33,614 thousand; 1961, \$19,702 thousand; 1962, \$14,919 thousand.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS, DEFENSE MATERIALS ACTIVITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Receipt and custody of bartered strategic materials.....	5,270	11,000	11,000
2. Strategic and critical materials.....		370	370
3. Storage and handling—special project.....	122		
Total obligations.....	5,392	11,370	11,370
Financing:			
Advances and reimbursements from other accounts.....	5,472	11,370	11,370
Unobligated balance lapsing.....	-80		
Total financing.....	5,392	11,370	11,370

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	354	496	533
Positions other than permanent.....	4	4	4
Other personnel compensation.....	9	7	5
Total personnel compensation.....	367	507	542

DEFENSE MATERIALS ACTIVITIES—Con.**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS, DEFENSE MATERIALS
ACTIVITIES—Continued****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	24	37	38
21 Travel and transportation of persons.....	17	22	22
Payment to interagency motor pools.....	5	7	7
22 Transportation of things.....	3,171	7,817	7,817
23 Rent, communications, and utilities.....	12	14	15
24 Printing and reproduction.....	6	6	6
25 Other services.....	1,629	2,293	2,256
26 Supplies and materials.....	39	42	42
31 Equipment.....	28	25	25
32 Lands and structures.....	94	600	600
Total obligations.....	5,392	11,370	11,370

Personnel Summary

Total number of permanent positions.....	74	84	86
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	62	80	87
Number of employees at end of year.....	66	82	85
Average GS grade.....	6.8	7.2	7.2
Average GS salary.....	\$5,736	\$6,393	\$6,346
Average salary of ungraded positions.....	\$5,316	\$5,745	\$5,745

Proposed for later transmission:**STRATEGIC AND CRITICAL MATERIALS**

Under existing legislation, 1961.—Authority to transfer \$3,398 thousand from Strategic and critical materials to Operating expenses, Public Buildings Service; Expenses, supply distribution; and Operating expenses, National Archives and Records Service, will be requested to finance the cost of increases in wage-board rates granted between July 1, 1959, and June 30, 1960, and of such increases to be granted during 1961.

GENERAL ACTIVITIES**Current authorizations:****SALARIES AND EXPENSES, OFFICE OF ADMINISTRATOR**

For expenses of executive direction for activities under the control of the General Services Administration, **[\$240,000] \$250,000.** (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction (total program costs) ¹	197	247	250
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1		
Total obligations.....	198	247	250
Financing:			
Unobligated balance lapsing.....	27		
New obligational authority.....	225	247	250

¹ Includes capital outlay of \$5 thousand for 1960.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	225	240	250
Proposed transfer for pay increases from "Strategic and critical materials".....		7	

Policy direction and coordination of all programs of the Administration are provided by the Administrator with the assistance of a small central office staff.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$1 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	160	199	202
Positions other than permanent.....	1	1	1
Other personnel compensation.....	2	2	2
Total personnel compensation.....	162	202	204
12 Personnel benefits.....	11	15	15
21 Travel and transportation of persons.....	1	8	8
Payment to interagency motor pools.....	2	2	2
23 Rent, communications, and utilities.....	3	3	4
24 Printing and reproduction.....	5	6	6
25 Other services.....	6	6	6
Services of other agencies.....		1	1
26 Supplies and materials.....	3	3	3
31 Equipment.....	5		
Total obligations.....	198	247	250

Personnel Summary

Total number of permanent positions.....	19	21	21
Average number of all employees.....	18	21	21
Number of employees at end of year.....	20	21	21
Average GS grade.....	8.8	9.0	9.0
Average GS salary.....	\$7,525	\$8,414	\$8,506

ALLOWANCES AND OFFICE FACILITIES FOR FORMER PRESIDENTS

For carrying out the provisions of the Act of August 25, 1958 (72 Stat. 838), **[\$250,000] \$300,000:** *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. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Allowances and pensions.....	70	82	95
2. Office staff and facilities.....	109	168	205
Total program costs—obligations¹.....	179	250	300
Financing:			
Unobligated balance lapsing.....	21		
New obligational authority (appropriation).....	200	250	300

¹ Includes capital outlay as follows: 1960, \$2 thousand; 1961, \$8 thousand; 1962, \$10 thousand.

This appropriation provides for allowances, office staff, furnished space, and mailing privileges for three former Presidents and pensions for two widows of former Presidents.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Other.....	84	125	150
12 Personnel benefits.....	5	10	12
13 Benefits for former personnel.....	70	82	95
23 Rent, communications, and utilities.....	2	3	3
25 Other services.....	15	22	30
31 Equipment.....	3	8	10
Total obligations.....	179	250	300

【REFUNDS UNDER RENEGOTIATION ACT】

【For refunds under section 201(f) of the Renegotiation Act of 1951 (50 U.S.C. App. 1231(f)), \$900,000, to remain available until expended.】 (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Rebate payments.....	308	750	
2. Refund payments.....	235	726	
Total program costs—obligations.....	543	1,476	
Financing:			
Unobligated balance brought forward.....	-1,108	-576	
Advances and reimbursements from other accounts.....	-11		
Unobligated balance carried forward.....	576		
New obligational authority (appropriation).....		900	

Refund and rebate payments due World War II contractors are made upon approval of claims presented under the Revenue Act of 1951. Of the 4,151 claims with payments estimated at some \$54 million all but 62 had been settled through June 30, 1960. It is hoped that most of the remaining claims will be settled by the end of 1962 which would require a supplemental appropriation in 1961 of \$1,600 thousand shown under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
43 Interest and dividends.....	57	225	
44 Refunds.....	486	1,251	
Total obligations.....	543	1,476	

Public enterprise funds:

Note.—Expenditures from the following funds for 1960 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1961. For 1962 this paragraph is shown in the Independent Offices chapter, p. 156, following Federal Deposit Insurance Corporation.

FEDERAL FACILITIES CORPORATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Synthetic rubber program:			
Administrative expenses.....	20	20	
Transferred out without charge:			
Property, plant, and equipment.....	5,034	13	
Current assets (expensed).....	804		
Chemicals.....	69		
Other.....	244	10	
Total program costs.....	6,171	43	
Unfunded adjustments to total program costs:			
Depreciation included above (—).....	-11		
Other costs included above not requiring funding (—).....	-5,034	-13	
Total program costs, funded.....	1,126	30	
Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	-872		
Total obligations.....	254	30	
Financing:			
Amounts becoming available: Revenue and receipts:			
Synthetic rubber program:			
Collection of mortgages receivable.....	944	1,239	1,390
Interest on mortgages receivable and other revenue.....	311	283	227
Tin program:			
Collection of mortgages receivable.....	80	90	140
Interest on mortgages receivable.....	43	41	38
Other revenue.....	50		
Total amounts becoming available.....	1,427	1,653	1,795
Unobligated balance brought forward.....	2,213	1,786	1,609
Total amounts available.....	3,640	3,439	3,404
Capital transfer (repayment of investment to Treasury) (—).....	-1,600	-1,800	-1,800
Unobligated balance carried forward.....	-1,786	-1,609	-1,604
Financing applied to program.....	254	30	

Federal Facilities Corporation was created June 30, 1954, under the provisions of the Rubber Act of 1948 and Executive Order 10539, primarily to administer 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 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 thousand.

Operating results.—During 1960, the Corporation paid into the Treasury \$1.6 million from liquidation proceeds. This and the transfer of the remaining alcohol butadiene plant to the Public Buildings Service for disposal, and other actions, reduced the equity of the Treasury to \$10.2 million. As of June 30, 1961, it is anticipated that the remaining functions of the Corporation will consist of administration of sales contracts.

GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

FEDERAL FACILITIES CORPORATION FUND—Continued

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Chemicals for sale.....	468	399	399	399
Supplies and deferred charges.....	804			
Total selected resources at end of year.....	1,271	399	399	399
Selected resources at start of year (—).....		—1,271	—399	—399
Costs financed from obligations of other years, net (—).....		—872		

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Synthetic rubber program: Expense.....	1,058	30	
Receipts from operations (funds provided):			
Synthetic rubber program:			
Mortgages repaid.....	944	1,239	1,390
Revenue.....	311	283	227
Tin program:			
Mortgages repaid.....	80	90	140
Revenue.....	93	41	38
Decrease in selected working capital.....	827	39	10
Total receipts from operations.....	2,255	1,692	1,805
Budget expenditures	—1,197	—1,662	—1,805

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Synthetic rubber program:			
Revenue.....	311	283	227
Expense.....	265	30	
Net operating income, synthetic rubber program.....	46	253	227
Tin program: Revenue: Net operating income.....	93	41	38
Total net operating income.....	139	294	265
Nonoperating loss (—) from transfer of—			
Plant, property, and equipment.....	—5,034	—13	
Chemicals out without charge.....	—69		
Current assets.....	—804		
Net nonoperating loss (—).....	—5,907	—13	
Net income or loss (—) for the year.....	—5,768	281	265
Analysis of equity:			
Equity, beginning of year.....	17,527	10,159	8,640
Repayment of investment to Treasury (—).....	—1,600	—1,800	—1,800
Equity, end of year.....	10,159	8,640	7,105

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	158	20	25
Accounts receivable, net.....	1,644	1,589	1,579
Chemicals for sale.....	399	399	399
Mortgages receivable.....	7,961	6,632	5,102
Property, plant, and equipment, net.....	13		
Total assets.....	10,175	8,640	7,105

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current.....	16		
Government equity:			
Non-interest-bearing equity.....	10,159	8,640	7,105

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	561	158	20	25
Obligated balance, net:				
Current liabilities.....	63	16		
Accounts receivable, net (—).....	—1,715	—1,644	—1,589	—1,579
Total obligated balance.....	—1,652	—1,628	—1,589	—1,579
Unobligated balance.....	2,213	1,786	1,609	1,604

[LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL FACILITIES CORPORATION]

[Not to exceed \$20,000 shall be available during the fiscal year 1961 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Synthetic rubber (total accrued expenses—costs).....	20	20	
Financing:			
Limitation.....	20	20	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	37	19	
Deduct portion not chargeable to limitation.....	23	4	
Total personnel compensation.....	14	15	
12 Personnel benefits.....	1	1	
21 Travel and transportation of persons.....	2	1	
25 Other services.....	1	1	
Payment to "Administrative operations fund".....	1	1	
Services of other agencies.....	1	1	
Total accrued expenses—costs.....	20	20	

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3	2	
Average number of all employees.....	3	1	
Number of employees at end of year.....	2	0	

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average GS grade.....	15.0	15.0	
Average GS salary.....	\$13,978	\$15,038	

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Liquidation of World War II assets program:			
Administrative expenses.....	36	41	41
Other.....	274	11	11
Liquidation of Smaller War Plants Corporation program:			
Administrative expenses.....	4	2	2
Loss on sale of fixed assets.....		26	
Other.....		5	
Total operating costs.....	314	85	54
Unfunded adjustment to total operating costs (—).....		—26	
Total costs—obligations.....	314	59	54
Financing:			
Amounts becoming available:			
Liquidation of World War II assets program:			
Revenue and receipts: Proceeds from—			
Sale of land, structures, and equipment.....		4	
Sale of securities.....	5		2
Revenue.....	222	327	225
Recovery of prior year obligations.....	3	7	
Liquidation of Smaller War Plants Corporation program: Revenue and receipts:			
Loans repaid.....	119		
Revenue.....	2		
Total amounts becoming available.....	351	338	227
Unobligated balance brought forward.....	12,355	6,943	7,221
Total amounts available.....	12,706	7,280	7,448
Capital transfer (repayment of investment to Treasury) (—).....	—5,450		
Unobligated balance carried forward.....	—6,943	—7,221	—7,394
Financing applied to program.....	314	59	54

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 1962 the servicing of leases and conditional sales agreements covering 12 facilities, plus servicing of 42 other miscellaneous assets. Financial and legal servicing will also be required on 13 liabilities, plus approximately 80 cases in the hands of the Department of Justice under the complex food subsidy program.

Administrative expense requirements are estimated to continue at the 1961 level.

Operating results.—Proceeds from liquidation will be paid into miscellaneous receipts of the Treasury.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Liquidation of World War II assets program:			
Expense.....	310	52	52
Liquidation of Smaller War Plants Corporation program: Expense.....	4	7	2
Total gross expenditures.....	314	59	54
Receipts from operations (funds provided):			
Liquidation of World War II assets program:			
Proceeds from—			
Sale of land, structures, and equipment.....		4	
Sale of securities.....	5		2
Revenue.....	222	327	225
Liquidation of Smaller War Plants Corporation program:			
Collections on loans previously written off.....	119		
Revenue.....	2		
Decrease in selected working capital.....	446	19	7
Total receipts from operations.....	794	350	234
Budget expenditures.....	—480	—291	—180

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Liquidation of World War II assets program:			
Revenue.....	222	327	225
Expense.....	310	52	52
Net operating income or loss (—), liquidation of World War II assets program.....	—88	275	173
Liquidation of Smaller War Plants Corporation program:			
Revenue.....	2		
Expense.....	4	7	2
Net operating loss (—), liquidation of Smaller War Plants Corporation program.....	—2	—7	—2
Nonoperating income or loss (—):			
Liquidation of Smaller War Plants Corporation program:			
Proceeds from sale of property.....		4	
Net book value of assets sold.....		—30	
Net loss (—) from sale of property.....		—26	
Decrease in valuation allowances: Accounts and other receivables.....	3	7	
Net nonoperating income or loss (—).....	3	—19	
Net income or loss (—) for year.....	—87	249	171
Analysis of equity:			
Equity, beginning of year.....	13,099	7,562	7,811
Repayment of investment to Treasury (—).....	—5,450		
Equity, end of year.....	7,562	7,811	7,982

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	3,294	3,585	3,765
Accounts and other receivables, net.....	3,694	3,637	3,630
Land, structures, and equipment, net.....	618	588	588
Investment in securities.....	2	2	
Total assets.....	7,608	7,812	7,983
Liabilities:			
Current.....	45	1	1
Government equity:			
Non-interest-bearing equity.....	7,562	7,811	7,982

GENERAL ACTIVITIES—Continued

Public enterprise funds—Continued

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND—Con.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury	8,264	3,294	3,585	3,765
Obligated balance, net:				
Current liabilities	45	45	1	1
Accounts and other receivables, net (—)	-4,137	-3,694	-3,637	-3,630
Total obligated balance	-4,092	-3,648	-3,636	-3,629
Unobligated balance	12,355	6,943	7,221	7,394

Note.—There is a contingent liability of \$7,921 thousand represented by claims in litigation, etc., under the World War II assets program.

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Not to exceed **[\$40,000] \$42,500** (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 account shall be made in accordance with generally recognized accounting principles and practices. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Liquidation of World War II assets and liabilities	36	41	41
2. Liquidation of Smaller War Plants Corporation	4	2	2
Total accrued expenses—costs (object class 25)	40	42	42
Financing:			
Limitation	40	40	42
Proposed increase in limitation due to pay increases		2	

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 **[1961] 1962** from funds made available to General Services Administration in this Act shall not exceed **[\$13,150,000] \$14,607,000**: *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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Financial services	9,631	10,759	10,989
2. Administrative services	4,005	4,434	4,496
3. Legal services	1,161	1,283	1,312
4. Legislative and business services	266	343	342
5. Field supervision	301	311	301
6. Adjustment of prior year costs	22		
Total program costs ¹	15,386	17,129	17,440
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	-151	-51	
Obligations incurred for costs of other years, net			5
Total obligations	15,235	17,078	17,445
Financing:			
Comparative transfers to or from (—) other accounts	95	-156	
Advances and reimbursements from other accounts	-2,894	-2,949	-2,838
Unobligated balance lapsing	314		
Limitation	12,750	13,150	14,607
Proposed increase in limitation due to pay increases		823	

¹ Includes capital outlay as follows: 1960, \$273 thousand; 1961, \$88 thousand; 1962, \$40 thousand.

Financial, administrative, legal, legislative, and business services and field 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 are seldom precisely known in advance.

Estimated amounts available for 1962 from the various sources and comparable data for 1960 and 1961 are (in thousands of dollars):

	1960 comparable	1961 comparable	1962 estimate
Included in limitation:			
Operating expenses, Public Buildings Service	3,840	4,543	4,600
Repair and improvement of public buildings	900	1,021	1,032
Operating expenses, Federal Supply Service	826	1,083	1,220
Expenses, supply distribution	4,977	5,337	5,688
Operating expenses, National Archives and Records Service	574	675	675
Operating expenses, Transportation and Public Utilities Service	356	393	393
Strategic and critical materials	1,128	1,035	957
Abaca fiber program	14		
Reconstruction Finance Corporation liquidation fund	40	42	42
Total included in limitation	12,655	14,129	14,607
Excluded from limitation:			
Sites and expenses	363	531	531
Expansion of defense production	1,090	850	742
Buildings management fund	604	615	618
General supply fund	383	445	445
Construction services	179	244	244

	1960 actual	1961 estimate	1962 estimate
Excluded from limitation—Continued			
Office of Civil and Defense Mobilization	75	80	80
Commodity Credit Corporation	110	96	96
Commission on Civil Rights	30	32	32
Additional Washington Airport	18	11	-----
Outdoor Recreation Resources Review Commission	20	25	25
Federal Facilities Corporation fund	1	1	-----
Other minor sources	22	21	24
Total excluded from limitation	2,894	2,949	2,838
Total financing	15,549	17,078	17,445
Unobligated balance	-96	-----	-----
Reserve, automatic data processing	-218	-----	-----
Grand total	15,235	17,078	17,445

Fair value of personal property received from other appropriations or funds without cost for use by GSA is as follows: 1960, \$20 thousand; 1961, \$20 thousand; 1962, \$14 thousand.

The increases in General Services Administration programs requested for 1962 will require increases in supporting administrative services and certain understaffed services require strengthening to provide more adequate support.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$343 thousand; 1959 adjusted, \$332 thousand; 1960, \$181 thousand; 1961, \$130 thousand; 1962, \$135 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	12,224	13,699	14,031
Positions other than permanent	88	37	14
Other personnel compensation	250	98	-----
Total personnel compensation	12,563	13,834	14,045
12 Personnel benefits	861	1,076	1,081
21 Travel and transportation of persons	185	233	251
Payment to interagency motor pools	18	21	23
22 Transportation of things	33	21	21
23 Rent, communications, and utilities	882	1,186	1,316
24 Printing and reproduction	311	434	437
25 Other services:			
Services of other agencies	74	57	60
	22	22	25
26 Supplies and materials	150	150	153
31 Equipment	136	44	33
Total obligations	15,235	17,078	17,445

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	2,060	2,068	2,072
Full-time equivalent of other positions	18	8	2
Average number of all employees	1,979	2,000	2,020
Number of employees at end of year	2,010	2,057	2,072
Average GS grade	7.3	7.5	7.6
Average GS salary	\$6,259	\$6,897	\$6,971
Average salary of ungraded positions	\$4,843	\$5,011	\$5,011

WORKING CAPITAL FUND

To increase the capital of the Working capital fund established by the Act of May 3, 1945 (40 U.S.C. 293), \$150,000.

Central blueprinting, photostating, duplicating, and distribution services are financed by a working capital fund pending reimbursements (40 U.S.C. 293). The

Joint Committee on Printing, U.S. Congress, authorized the establishment of four field printing plants in addition to the plant in Washington, D.C., to meet the needs of the General Services Administration and other Federal agencies. An increase in appropriated working capital from \$50 thousand to \$200 thousand is necessary to initially finance required equipment.

Operating results.—Surplus earnings are deposited into miscellaneous receipts of the Treasury. Through June 30, 1960, a total of \$63 thousand has been deposited, and it is estimated that \$7 thousand and \$10 thousand will be deposited in 1961 and 1962, respectively.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment	58	51	49
Expense:			
Purchase of raw materials	205	230	250
Operating expense	884	1,136	1,165
Increase in selected working capital	-----	-----	118
Total gross expenditures	1,147	1,417	1,582
Receipts from operations (funds provided):			
Revenue	1,112	1,400	1,455
Decrease in selected working capital	84	14	-----
Total receipts from operations	1,196	1,414	1,455
Budget expenditures	-50	3	127

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue	1,112	1,400	1,455
Expense	1,105	1,390	1,442
Net operating income	7	10	13
Analysis of retained earnings:			
Retained earnings, beginning of year	10	7	10
Payment of earnings to Treasury (-)	-10	-7	-10
Retained earnings, end of year	7	10	13

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury	139	129	142
Accounts receivable, net	116	148	168
Inventory—stock	58	61	64
Equipment, net	179	203	222
Total assets	492	541	596
Liabilities:			
Current	222	268	170
Unfunded leave liability	9	9	9
Total liabilities	231	277	179
Government investment:			
Non-interest-bearing capital:			
Start of year	245	254	254
Provision for unfunded leave liability (-)	-9	-----	-----
Donated equipment	18	-----	-----
Appropriation during year	-----	-----	150
End of year	254	254	404
Retained earnings	7	10	13
Total Government investment	261	264	417

Note.—Unpaid undelivered orders are as follows: 1959, \$1 thousand; 1960, \$5 thousand; 1961, \$3 thousand; 1962, \$3 thousand.

GENERAL ACTIVITIES—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	720	893	957
Positions other than permanent.....	2		
Other personnel compensation.....	15	20	12
Total personnel compensation.....	737	913	969
12 Personnel benefits.....	50	75	80
21 Travel and transportation of persons.....	3	5	6
Payment to interagency motor pools.....	1	1	1
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	3	5	7
24 Printing and reproduction.....	26	11	9
25 Other services.....	46	108	73
Services of other agencies.....	3	2	2
26 Supplies and materials.....	221	242	264
31 Equipment.....	58	51	49
Total costs.....	1,149	1,414	1,461
Obligations incurred for costs of other years, net.....	3		3
Total obligations.....	1,152	1,414	1,464

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	174	178	190
Full-time equivalent of other positions.....	1		
Average number of all employees.....	149	176	185
Number of employees at end of year.....	166	178	190
Average GS grade.....	4.6	4.6	4.9
Average GS salary.....	\$4,663	\$5,058	\$5,332
Average salary of ungraded positions.....	\$5,020	\$5,070	\$5,013

ADVANCES AND REIMBURSEMENTS, GENERAL ACTIVITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Federal Radiation Council (total program costs ¹).....	3	1	
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1	
Obligations included for costs of other years, net.....	1		
Total obligations.....	4		
Financing:			
Advances and reimbursements from other accounts.....	10		
Unobligated balance lapsing.....	—6		
Total financing.....	4		

¹ Includes capital outlay for 1960 of \$1 thousand.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders for 1960 are \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	1		
24 Printing and reproduction.....	1		
25 Other services.....	1		
31 Equipment.....	1		
Total obligations.....	4		

Proposed for later transmission:

REFUNDS UNDER RENEGOTIATION ACT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Rebate payments.....			200
2. Refund payments.....		1,100	125
Total program costs—obligations.....		1,100	325
Financing:			
Unobligated balance brought forward.....			—500
Unobligated balance carried forward.....		500	175
New obligational authority (proposed supplemental appropriation).....		1,600	

Under existing legislation, 1961.—It is anticipated that an additional \$1,600 thousand will be required during the latter part of 1961 or early in 1962 due to refund payments for Red Sea cases which evolved out of lend-lease shipments to Russia. These claims arose from recent court action and were not anticipated heretofore.

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 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 be so transferred, with the approval of the Bureau of the Budget.

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 increased thereby 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.

Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for (a) reimbursement to

the General Services Administration for those expenses of renovation and alteration of buildings and facilities which constitute public improvements, performed in accordance with the Public Buildings Act of 1959 (73 Stat. 479) or other applicable law, and (b) *transfer or reimbursement to applicable appropriations to said Administration for rents and related expenses, not otherwise provided for, of providing, directly or indirectly, such suitable general purpose space as may be required by any such department or agency, in the District of Columbia or elsewhere.*

【In disposing of surplus real estate and buildings a reasonable period of time shall be allowed for local governmental units to perfect a comprehensive and coordinated plan of use and procurement.】 (*Independent Offices Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

HOUSING AND HOME FINANCE AGENCY

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
OFFICE OF THE ADMINISTRATOR									
Current authorizations:									
Salaries and expenses.....	517	9,342	10,327	688	¹ 12,400	8,937	11,000	12,000	11,270
Limitation on use of nonadministrative funds from college housing, public facility loans, and urban renewal.....		(2,900)	(2,900)		(3,000)				
Urban planning grants.....	515	3,375	4,000		² 10,000	2,554	3,500	6,000	366
Farm housing research.....	517								
Public enterprise funds:									
College housing:									
Operations, college housing loans fund (authorization to expend from debt receipts).....	517	250,000	500,000		³ 100,000	201,314	171,712	199,559	
Limitation on administrative expenses, college housing loans.....		(1,723)	(1,330)	(90)	(1,950)				
Public facility loans:									
Operations, public facility loans (authorization to expend from debt receipts).....	515		50,000			13,214	18,543	24,879	
Limitation on administrative expenses, public facility loans.....		(525)	(504)	(34)	(600)				
Public works planning:									
Reserve of planned public works (payment to revolving fund) (current appropriation).....	515	6,000	6,000		4,000	4,624	5,064	5,420	
Public works planning fund.....	515								
Liquidating programs:									
Revolving fund (liquidating programs).....	516					-77,629	-90,838	-1,465	
Limitation on administrative expenses, Office of the Administrator, revolving fund (liquidating programs).....		(653)	(140)	(9)	(150)				
Urban renewal:									
Grants for slum clearance and urban renewal (liquidation of contract authorization).....	515	(107,500)	(150,000)		(200,000)	105,074	155,514	201,914	
Urban renewal fund (grants) (permanent contract authorization).....	515	350,000	300,000						
Urban renewal fund (grants) (current appropriation).....	515				³ 300,000				
Urban renewal fund (loans and planning advances).....	515								
Community disposal operations:									
Community disposal operations fund.....	516					-5,893	-4,579	-6,737	
Housing for the elderly (payment to revolving fund) (current appropriation).....	517		20,000				1,040	13,473	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Limitation on administrative expenses, college housing loans.....	517			(180)					
Total, Office of the Administrator.....		618,717	890,327	688	426,400	252,210	270,965	455,043	11,636
FEDERAL NATIONAL MORTGAGE ASSOCIATION									
Public enterprise funds:									
Loans for secondary market operations.....	517				³ 35,000	-41,531	28,000	40,000	3,000
Special assistance functions fund (authorization to expend from debt receipts).....	517	25,000			³ 250,000	448,992	178,915	210,000	
Management and liquidating functions fund.....	517					-437,220	-94,089	-175,000	
Limitation on administrative expenses.....		(6,150)	(6,550)	(350)	(7,450)				
Total, Federal National Mortgage Association.....		25,000			285,000	-29,759	112,826	75,000	3,000
FEDERAL HOUSING ADMINISTRATION									
Public enterprise funds:									
Federal Housing Administration fund (permanent indefinite authorization to expend from debt receipts).....	517	28,412	62,894		52,781	-53,312	2,791	20,754	20,754
Limitation on administrative expenses.....		(8,100)	(8,550)	(461)	(9,675)				
Limitation on nonadministrative expenses.....		(48,000)	(50,000)	(2,988)	(62,300)				

¹ Includes \$140 thousand to carry out authorizing legislation to be proposed.
² Includes \$6,400 thousand to carry out authorizing legislation to be proposed.

³ To carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
PUBLIC HOUSING ADMINISTRATION									
Public enterprise funds:									
Low rent public housing program:									
Annual contributions (current appropriation).....	516	129,000	140,000	818	169,300	} 139,925	149,467	173,617	122,386
Administrative expenses (current appropriation).....	516	12,830	13,050	818	14,150				
Low rent public housing program fund.....	516	(12,830)	(13,050)	(818)	(14,150)				
Limitation on administrative expenses.....		(1,500)	(1,200)		(1,200)				
Proposed for later transmission (other than pay increase supplemental):									
Under existing legislation: Low rent public housing program:									
Annual contributions (current appropriation).....	516			11,700			8,200	3,500	
Total, Public Housing Administration.....		141,830	153,050	12,518	183,450	139,925	157,667	177,117	122,386
Total new obligational authority and budget expenditures.....		813,959	1,106,271	13,206	947,631	309,065	544,249	727,914	157,776
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		160,547	193,377		544,850	} 309,065	534,628	724,329	157,776
Appropriations to liquidate contract authorizations.....		(107,500)	(150,000)		(200,000)				
Authorizations to expend from debt receipts.....		275,000	550,000		350,000				
Permanent authorizations:									
Authorizations to expend from debt receipts.....		28,412	62,894		52,781				
Contract authorizations.....		350,000	300,000						
Proposed for later transmission:									
Pay increase supplemental appropriations.....			1,506				1,421	85	
Other: Appropriations.....			11,700				8,200	3,500	
Total new obligational authority and budget expenditures.....		813,959	1,119,477		947,631	309,065	544,249	727,914	157,776

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
OFFICE OF THE ADMINISTRATOR										
College housing: Operations, college housing loans fund	517	230,159	207,685	245,009	28,845	35,973	45,450	201,314	171,712	199,559
Public facility loans: Operations, public facility loans	515	15,491	22,263	29,896	2,277	3,720	5,017	13,214	18,543	24,879
Public works planning: Public works planning fund	515	8,278	9,064	9,870	3,654	4,000	4,450	4,624	5,064	5,420
Liquidating programs: Revolving fund (liquidating programs)	516	88,906	553	649	166,535	91,391	2,114	-77,629	-90,838	-1,465
Urban renewal:										
Grants for slum clearance and urban renewal (liquidation of contract authorization)	515	235,135	250,728	294,916	130,061	95,214	93,002	105,074	155,514	201,914
Urban renewal fund (grants)										
Urban renewal fund (loans and planning advances)	516	4,312	3,047	80	10,205	7,626	6,817	-5,893	-4,579	-6,737
Community disposal operations fund	517		1,042	13,679		2	206		1,040	13,473
Housing for the elderly										
FEDERAL NATIONAL MORTGAGE ASSOCIATION										
Secondary market operations fund	517	795,105	478,000	740,000	836,636	450,000	700,000	-41,531	28,000	40,000
Special assistance functions fund	517	580,155	348,490	380,240	131,163	169,575	170,240	448,992	178,915	210,000
Management and liquidating functions fund	517	213,274	142,416	49,720	650,494	236,505	224,720	-437,220	-94,089	-175,000
FEDERAL HOUSING ADMINISTRATION										
Federal Housing Administration fund	517	182,682	295,129	317,941	235,994	292,338	297,187	-53,312	2,791	20,754
PUBLIC HOUSING ADMINISTRATION										
Low-rent public housing program fund	516	277,803	383,805	414,370	137,878	234,338	240,753	139,925	149,467	173,617
Proposed for later transmission	516		8,200	3,500					8,200	3,500
Total, public enterprise funds		2,631,300	2,150,422	2,499,870	2,333,742	1,620,682	1,789,956	297,558	529,740	709,914

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Urban planning grants, Office of the Administrator.....	1,044	4,313	164	5,134		5,634		9,634
Other.....		551		723		730		1,130
Subtotal.....	1,044	4,864	164	5,857		6,364		10,764
Balances of anticipated pay increase supplementals included above.....						-38		
Total, appropriations.....	1,044	4,864	164	5,857		6,326		10,764
Authorizations to expend from debt receipts:								
Operations, college housing loans fund, Office of the Administrator.....	82,056	330,582	171,554	395,614	325,232	725,614	50,964	630,614
Operations, public facility loans, Office of the Administrator.....	33,858	62,049	18,019	52,469	43,686	83,469	17,528	59,469
Urban renewal fund, Office of the Administrator.....	205,626	902,000	663,467	850,000	582,722	850,000	493,693	850,000
Investment in flood indemnity operations, Federal Flood Indemnity Administration.....	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Secondary market operations fund, Federal National Mortgage Association.....	2,273,469	2,273,469	2,315,000	2,315,000	2,287,000	2,287,000	2,282,000	2,282,000
Special assistance functions fund, Federal National Mortgage Association.....	665,558	1,438,917	567,338	984,928	332,473	781,928	286,118	791,928
Low rent public housing program fund, Public Housing Administration.....	361,275	1,473,000	562,313	1,471,000	594,105	1,468,000	486,688	1,468,000
Total, authorizations to expend from debt receipts.....	4,121,842	6,980,017	4,797,691	6,569,011	4,665,218	6,696,011	4,116,991	6,582,011
Contract authorizations:								
Housing studies, Office of the Administrator.....	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Urban renewal fund, Office of the Administrator.....	637,801	1,143,000	608,110	1,385,500	595,600	1,535,500	210,600	1,335,500
Total, contract authorizations.....	640,301	1,145,500	610,610	1,388,000	598,100	1,538,000	213,100	1,338,000
Revolving and management funds:								
Operations, college housing loans fund, Office of the Administrator.....		41,012		24,666		22,954		18,395
Reserve of planned public works, Office of the Administrator.....	2,142	16,489	4,441	17,865	4,391	18,801	2,791	17,381
Revolving fund (liquidating programs) Office of the Administrator.....	8,774	8,019	90,094	1,648	4,016	2,486	2,346	951
Urban renewal fund, Office of the Administrator.....		30,124		84,550		79,036	300,000	377,122
Community disposal operations fund, Office of the Administrator.....	3,317	3,537	1,254	1,430	1,004	1,009	245	245
Housing for the elderly, Office of the Administrator.....					362	18,960	293	5,487
Management and liquidating functions fund, Federal National Mortgage Association.....	37,510	59,428	-33,383	75,869	55,808	77,000	57,439	77,000
Federal Housing Administration fund.....	566,780	639,448	661,437	721,172	727,614	781,275	765,429	813,302
Low rent public housing program fund, Public Housing Administration.....		42,079		44,005		51,184		60,904
Other.....		6,230		2,973		4,515		3,636
Total, revolving and management funds.....	618,523	846,366	723,843	974,178	793,195	1,057,220	1,128,543	1,374,423
Proposed for later transmission:								
Appropriations other than pay increase supplementals.....						3,500		
Anticipated pay increase supplemental appropriations.....						85		
Total, proposed for later transmission.....						3,585		
Total, Housing and Home Finance Agency.....	5,381,710	8,976,747	6,132,308	8,937,046	6,056,513	9,301,142	5,458,634	9,305,198

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	813,959	1,119,477	947,631
Unobligated balances brought forward, start of year.....	5,381,710	6,132,308	6,056,513
Unobligated balances lapsing (-).....	-451,944	-115,958	-205,000
Capital transfers from revolving funds to receipt accounts (-).....	-92,591	-95,175	-10,660
Unobligated balances carried forward, end of year (-).....	-6,132,308	-6,056,513	-5,458,634
Obligations incurred, net	-481,174	984,139	1,329,850
Obligated balances brought forward, start of year.....	3,595,037	2,804,738	3,244,629
Adjustments of obligated balances in expired accounts.....	-60		
Obligated balances carried forward, end of year (-).....	-2,804,738	-3,244,629	-3,846,564
Budget expenditures	309,065	544,249	727,914

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Commerce, housing, and space technology:						
515 Community development and facilities.....	359,375	360,000	314,000	125,467	182,621	238,213
516 Public housing programs.....	141,830	165,568	183,450	134,032	153,088	170,380
517 Other aids to housing.....	312,754	593,909	450,181	49,566	208,540	319,321
Total, Housing and Home Finance Agency	813,959	1,119,477	947,631	309,065	544,249	727,914

The Housing and Home Finance Agency is responsible for the administration of the Federal Government's major housing and community development programs, including grants and loans for urban renewal and public housing, insurance of home mortgages and improvement loans, purchase of Government insured and guaranteed mortgages, loans for housing for the elderly, loans for public facilities, advances for the planning of public works, and grants for urban planning. These aids are often closely interrelated, as the following examples indicate:

(a) Urban renewal areas are cleared or rehabilitated through the aid of Federal grants and loans; often, the housing built or modernized in these areas is financed with mortgages insured by the Federal Housing Administration. In turn, the market for these mortgages is supported by purchases by the Federal National Mortgage Association under its special assistance program. In some instances, private financing for these mortgages may be secured through the efforts of the Voluntary Home Mortgage Credit Committee.

(b) Similarly, FHA and FNMA provide financing for a special program of housing for families displaced from urban renewal areas and by other governmental action. Displaced families with incomes too low to afford private housing may be relocated in public low rent housing assisted by Federal annual contributions.

(c) In suburban areas, a considerable proportion of the new housing constructed is financed through FHA insured mortgages, frequently with the assistance of the FNMA secondary market operations, while the planning and, in certain instances, the construction of public facilities in these areas may be financed by advances and loans from the HHFA.

(d) A workable program for community improvement, including local action toward a comprehensive and integrated

approach to the problem of urban development, is required of cities participating in the urban renewal and public housing programs; grants made for urban planning in metropolitan areas and in small cities help advance the same objective on a broader geographical basis.

(e) Housing for elderly families is provided through three programs including low-rent public housing under Federal annual contributions, direct loans at subsidy interest rates, and a special FHA mortgage insurance program which is supported by mortgage purchases under the FNMA special assistance functions.

New obligational authority of \$948 million is recommended for the Housing and Home Finance Agency for 1962 compared with an estimated \$1,119 million for 1961. The major factor in the decrease is a \$400 million reduction in new authority for college housing loans. The budget proposes termination of this program except for necessary transitional authority, and the enactment, instead, of a new broader program for college facilities aids to be administered by the Department of Health, Education, and Welfare. The proposed reduction in new authority for college housing loans is, however, partially offset by other recommended increases, chiefly \$285 million for the FNMA.

Net expenditures are expected to increase from \$544 million in 1961 to \$728 million in 1962. This increase reflects, in the main, rising expenditures under prior commitments of the various programs of the agency with long leadtimes between initial obligation or other obligation of funds and eventual disbursement. Expenditures for the agency are not closely related to new obligational authority as a result of these long leadtimes and the effect of repayment of loans or other receipts from assets acquired in earlier years.

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); and purchase of two passenger motor vehicles for replacement only; **[\$10,327,000] \$12,400,000**: *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 **[\$2,900,000] \$3,000,000**. (5 U.S.C. 133y-16; 42 U.S.C. 1451; 12 U.S.C. 1749; *Independent Offices Appropriation Act, 1961; authorizing legislation to be proposed for \$140,000 of the above-proposed appropriation for 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General agency supervision.....	1,211	1,315	1,400
2. Consolidated compliance activities.....	645	670	675
3. Voluntary home mortgage credit.....	214	250	225
4. Housing for the elderly.....		240	275
5. Community disposition activities.....	397	235	75
6. Community facilities programs:			
(a) Public works planning advances.....	567	565	600
(b) College housing loans.....	1,622	1,420	1,950
(c) Public facility loans.....	481	538	600
(d) Liquidating activities.....	175	148	150
(e) School construction.....	994	931	810
(f) Project inspection and audit.....	813	750	800
7. Urban renewal program:			
(a) Urban renewal activities.....	6,673	8,215	9,500
(b) Project inspection and audit.....	1,254	1,850	2,200
8. Miscellaneous services performed for other agencies.....	74	11	-----
Total program costs.....	15,120	17,138	19,260
9. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	4	-----	-----
Total obligations.....	15,124	17,138	19,260
Financing:			
Advances and reimbursements from other accounts.....	-5,984	-6,123	-6,860
Unobligated balance lapsing.....	202	-----	-----
New obligational authority.....	9,342	11,015	12,400
New obligational authority:			
Appropriation.....	9,342	10,327	12,400
Proposed supplemental due to pay increases.....	-----	688	-----

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: Urban renewal and urban planning assistance, which have been delegated to the Urban Renewal Commissioner; and 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. The Administrator serves as Chairman of the Board of Directors of the Federal National Mortgage Association. He also serves as Chairman of the National Voluntary Mortgage Credit Extension Committee and provides staff assistance to the national committee and regional committees through which the voluntary home mortgage credit program operates.

The appropriation requested for 1962, \$12,400 thousand, is an increase of \$1,385 thousand over the amount estimated to be available for 1961. The increase reflects primarily the need for increased field staff to carry out the growing urban renewal program.

2. *Consolidated compliance activities.*—A consolidated investigation and compliance staff serves the entire Agency.

3. *Voluntary home mortgage credit.*—Staff assistance is provided to the national and regional committees engaged in a 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. The legislative authorization for this program would expire October 1, 1961, under present legislation; this budget assumes that the program will be extended and makes provision for staff expenses in connection with the extended authorization.

4. *Housing for the elderly.*—For detail of this activity, see public enterprise funds.

5. *Community disposition activities.*—For detail of this activity, see Community disposal operations fund under public enterprise funds.

6. *Community facilities programs.*—(a), (b), (c), and (d). For detail of these activities, see public enterprise funds.

(e). *School construction.*—The 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.

7. (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 representation 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.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$15 thousand; 1959 (adjusted), \$116 thousand; 1960, \$120 thousand; 1961, \$120 thousand; 1962, \$120 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	12,075	13,850	15,638
Other personnel compensation.....	93	53	-----
Total personnel compensation.....	12,168	13,903	15,638
12 Personnel benefits.....	862	987	1,108
21 Travel and transportation of persons.....	830	932	1,041

OFFICE OF THE ADMINISTRATOR—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	16	15	17
23 Rent, communications, and utilities.....	590	560	647
24 Printing and reproduction.....	181	197	215
25 Other services.....	126	171	185
Services of other agencies.....	139	138	151
26 Supplies and materials.....	93	99	108
31 Equipment.....	119	136	150
Total obligations.....	15,124	17,138	19,260

Personnel Summary

Total number of permanent positions.....	1,799	1,935	2,168
Average number of all employees.....	1,626	1,767	2,003
Number of employees at end of year.....	1,735	1,844	2,080
Average GS grade.....	9.0	8.9	8.8
Average GS salary.....	\$7,398	\$7,857	\$7,755

LIMITATION ON USE OF NONADMINISTRATIVE FUNDS FROM COLLEGE HOUSING, PUBLIC FACILITY LOANS, AND URBAN RENEWAL

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to "Salaries and expenses" (total costs—obligations) (object class 25).....	2,067	2,600	3,000
Financing:			
Unobligated balance lapsing.....	833	300	-----
Limitation.....	2,900	2,900	3,000

These funds are used for activities described under Salaries and expenses, in paragraphs 6(f) and 7(b).

URBAN PLANNING GRANTS

For grants in accordance with the provisions of section 701 of the Housing Act of 1954, as amended, **[\$4,000,000]** \$10,000,000. (Independent Offices Appropriation Act, 1961; authorizing legislation to be proposed for \$6,400,000 of the above for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants to planning agencies.....	2,154	4,164	10,000
Reclassification of outstanding grant approvals.....	1,350	-----	-----
Total program costs—obligations (object class 41).....	3,504	4,164	10,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-293	-164	-----
Unobligated balance carried forward.....	164	-----	-----
New obligational authority (appropriation)	3,375	4,000	10,000

Section 701 of the Housing Act of 1954, as amended by the Housing Act of 1959, authorizes \$20 million 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 \$16.4 million has been appropriated to date. The budget program, which calls for an appropriation of \$10 million in 1962, assumes legislation to increase the authorization for appropriation.

Permanent authorizations:

HOUSING STUDIES (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward (contract authorization).....	2,500	2,500	2,500
Unobligated balance carried forward (contract authorization).....	-2,500	-2,500	-2,500
New obligational authority (contract authorization).....	-----	-----	-----

Status of Unfunded Contract Authorization (in thousands of dollars)

Unfunded balance brought forward.....	2,500	2,500	2,500
Unfunded balance carried forward.....	-2,500	-2,500	-2,500
Appropriation to liquidate contract authorization.....	-----	-----	-----

The Housing Act of 1956 provided \$2,500 thousand in contract authorization for a program of housing studies with emphasis on problems of housing need, demand, and supply. No activity is proposed in this budget.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, as follows:
 "Assistance for school construction," Office of Education.
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Mutual security—economic," funds appropriated to the President.

Note.—Expenditures from the following funds for 1961 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1961. For 1962 this paragraph is shown in the independent offices chapter, p. 156, following Federal Deposit Insurance Corporation.

Public enterprise funds:

COLLEGE HOUSING

COLLEGE HOUSING LOANS

For loans pursuant to title IV of the Housing Act of 1950, as amended, to be borrowed from the Secretary of the Treasury, as provided in section 401(d) of said Act, \$100,000,000, to remain available until expended. (Authorizing legislation to be proposed for 1962.)

OPERATIONS, COLLEGE HOUSING LOANS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Loan reservations issued, net:			
(a) College housing.....	207,689	358,154	155,000
(b) College service facilities.....	27,171	51,846	15,000
(c) Housing for student nurses and interns.....	11,524	30,000	30,000
Total reservations issued, net.....	246,384	440,000	200,000
Reservations, beginning of year.....	77,018	155,493	237,993
Reservations, end of year.....	-155,493	-237,993	-47,993
Loan commitments.....	167,909	357,500	390,000
2. Interest on borrowings.....	17,392	22,475	27,128
3. Administrative expenses.....	1,723	1,600	1,950
4. Audit and inspection expense.....	646	575	600
5. Other expense.....	34	35	40
Total obligations.....	187,704	382,185	419,718
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts:			
Authorized.....	250,000	500,000	
Proposed legislation.....			100,000
Revenue and receipts:			
Loan repayments.....	7,516	11,000	15,000
Revenue.....	19,039	24,288	29,850
Inspection and audit fees.....	646	575	600
Total amounts becoming available.....	277,201	535,863	145,450
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved.....	77,018	155,493	237,993
Unreserved.....	5,038	16,060	87,238
Total amounts available.....	359,257	707,416	470,681
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved.....	-155,493	-237,993	-47,993
Unreserved.....	-16,060	-87,238	-2,970
Financing applied to program.....	187,704	382,185	419,718

Title IV of the Housing Act of 1950, as amended (12 U.S.C. 1749), provides for direct long-term loans at low interest rates to assist institutions of higher education in the development of housing and related facilities for students and faculty, and to hospitals for housing facilities for nurses and interns. The program is funded by a Treasury borrowing authorization of \$1,675 million including \$500 million provided in the current year by Public Law 86-788 approved September 14, 1960. Interest rates are set by statute at the higher of 2.75% or 0.25% above the average rate on the total outstanding debt. The current rate is 3.5%.

Budget program.—During the current year new loan reservations will use all but an estimated \$100 million of the borrowing authorization. For the budget year legislation is being proposed to increase the borrowing

authority; recommended appropriation language for an additional \$100 million appears above. The budget program of \$200 million in new fund reservations in 1962 will exhaust both the new authority and the unused authority brought forward in 1961. This program is intended to be a transition to a proposed new and broader program of Federal assistance for university facilities of all types through loans and grants, to be administered by the Department of Health, Education, and Welfare.

Fund reservations are made on approval of applications filed to determine eligibility and feasibility of the project. Reservations are converted into loan contracts after detailed planning, filing of a full loan application, and agency review. Principal workload stages are set forth in the following table:

	1960 actual	1961 estimate	1962 estimate
Preliminary applications:			
Received.....	337	350	300
Withdrawn or rejected.....	12	20	11
Reservations issued.....	131	345	174
Full applications:			
Withdrawn or rejected.....	17	20	17
Loans approved.....	202	275	300
Reservations outstanding, and full applications on hand, close of year.....	284	264	342

After execution of the contracts, the institutions proceed with final plans and specifications, award of construction contracts and preparation of bond indentures.

Financing.—Bond purchases are estimated at \$215 million for the budget year and \$183 million for the current year. Purchase of bonds occurs when construction is well advanced. Disbursements are based on the following projected construction schedule:

	1960 actual	1961 estimate	1962 estimate
Construction starts.....	194	188	256
Substantial completions.....	225	211	207

Budgetary expenditures total \$172 million and \$200 million for 1961 and 1962 respectively, including the bond purchases, repayments of loans and net operating receipts.

Operating results and financial condition.—Net earnings of \$197 thousand are estimated for the budget year. Cumulative deficit is estimated to be further reduced in subsequent years.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans.....	210,364	183,000	215,000
Expense.....	19,149	24,110	29,118
Inspection and audit expense.....	646	575	600
Increase in selected working capital.....			291
Total gross expenditures.....	230,159	207,685	245,009
Receipts from operations (funds provided):			
Loans repaid.....	7,516	11,000	15,000
Revenue.....	19,039	24,288	29,850
Inspection and audit fees.....	646	575	600
Decrease in selected working capital.....	1,644	110	
Total receipts from operations.....	28,845	35,973	45,450
Budget expenditures.....	201,314	171,712	199,559

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	19,039	24,288	29,850
Expense.....	19,644	24,567	29,653
Net operating income or loss (—) for the year.....	-605	-279	197

OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

COLLEGE HOUSING—Continued

OPERATIONS, COLLEGE HOUSING LOANS FUND—continued

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Deficit (—), beginning of year.....	—3,123	—3,728	—4,007
Deficit (—), end of year.....	—3,728	—4,007	—3,810

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	24,666	22,954	18,395
Accounts receivable, net.....	336	335	340
Accrued interest receivable.....	5,673	8,100	9,000
Loans receivable, net.....	755,793	927,336	1,126,801
Total assets.....	786,468	958,725	1,154,536
Liabilities:			
Current.....	10,810	13,346	13,960
Government investment:			
Interest-bearing capital:			
Start of year.....	594,418	779,386	949,386
Borrowings from Treasury during year, net.....	184,968	170,000	195,000
End of year.....	779,386	949,386	1,144,386
Deficit (—).....	—3,728	—4,007	—3,810
Total Government investment.....	775,658	945,379	1,140,576

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	41,012	24,666	22,954	18,395
Budget authorization.....	330,582	395,614	725,614	630,614
Total unexpended balance.....	371,594	420,280	748,568	649,009
Obligated balance, net:				
Current liabilities.....	7,228	10,810	13,346	13,960
Undisbursed loan obligations.....	286,380	243,925	418,425	593,425
Accounts and accrued interest receivable, net (—).....	—4,070	—6,009	—8,435	—9,340
Total obligated balance.....	289,538	248,726	423,336	598,045
Unobligated balance.....	82,056	171,554	325,232	50,964

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE
ADMINISTRATOR, COLLEGE HOUSING LOANS

Not to exceed **[\$1,330,000]** \$1,950,000 shall be available for all administrative expenses, which shall be on an accrual basis, of carrying out the functions 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. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to "Salaries and expenses" (total accrued expenses—costs) (object class 25).....	1,723	1,420	1,950
Financing:			
Limitation.....	1,723	1,330	1,950
Proposed increase in limitation due to pay increases.....		90	

PUBLIC FACILITY LOANS

OPERATIONS, PUBLIC FACILITY LOANS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Loan commitments, net.....	15,806	25,000	27,500
2. Interest on borrowings.....	1,365	2,042	2,865
3. Administrative expenses.....	525	537	600
4. Inspection and audit expense.....	167	175	200
5. Other expense.....	7	8	10
Total obligations.....	17,870	27,762	31,175
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts.....		50,000	
Revenue and receipts:			
Loan repayments.....	132	700	1,200
Revenue.....	1,732	2,554	3,617
Inspection and audit fees.....	167	175	200
Total amounts becoming available.....	2,031	53,429	5,017
Unobligated balance brought forward (authorization to expend from public debt receipts):			
Reserved (approved contracts not yet executed).....	1,687	4,150	4,150
Unreserved.....	32,171	13,869	39,536
Total amounts available.....	35,889	71,448	48,703
Unobligated balance carried forward (authorization to expend from public debt receipts):			
Reserved (approved contracts not yet executed).....	—4,150	—4,150	—4,150
Unreserved.....	—13,869	—39,536	—13,378
Financing applied to program.....	17,870	27,762	31,175

The Housing Amendments of 1955 (65 Stat. 635, 642) and amendments thereto provide for a program of loans to assist State and local governments and their agencies to finance construction of specific public works. Initially funded by a Treasury borrowing authorization of \$100 million, an increase of \$50 million was authorized subsequently. The basic legislation extends priority to small municipalities and to water, sewage, and gas-distribution systems unable to market their obligations in the private market at reasonable rates. Assistance is also provided to communities of all sizes in labor surplus areas. The loans may run for as long as 40 years and are secured by tax-exempt revenue or general obligation bonds. Interest rates are adjusted from time to time to meet changes in the market interest rates on tax-exempt

securities. Initially established at 3.75% for general obligation bonds and 4.25% for revenue issues, present interest rates for 30-year maturities are 4.375% and 4.625% respectively.

Budget program.—In the current and budget years, loan commitments increase from \$16 million to \$25 and \$27 million, respectively. The following table shows the number of cases involved in principal workload stages:

	1960 actual	1961 estimate	1962 estimate
Applications received.....	103	125	140
Processing:			
Cases disapproved or withdrawn.....	42	42	40
Gross approvals.....	66	84	92
Attrition after approval.....	8	5	5
Net approvals.....	58	79	87

Financing.—The program is financed by a Treasury borrowing authorization of \$150 million. At the end of the budget year it is estimated that the Treasury will hold notes totaling \$91 million.

Operating results.—Cumulative deficit at the end of 1962 totals \$2.9 million, of which \$1 million represents an increase in allowance for losses for the years 1961 and 1962 at the rate of 2% on loans disbursed. Loans disbursed are estimated at \$19.5 and \$26 million in the current and budget years.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans.....	13,427	19,500	26,000
Expense.....	1,897	2,588	3,475
Inspection and audit expense.....	167	175	200
Increase in selected working capital.....			221
Total gross expenditures.....	15,491	22,263	29,896
Receipts from operations (funds provided):			
Loans repaid.....	132	700	1,200
Revenue.....	1,732	2,554	3,617
Inspection and audit fees.....	167	175	200
Decrease in selected working capital.....	246	291	
Total receipts from operations.....	2,277	3,720	5,017
Budget expenditures	13,214	18,543	24,879

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	1,732	2,554	3,617
Expense.....	2,607	2,978	3,995
Net operating loss (—) for the year.....	—875	—424	—378
Deficit (—), beginning of year.....	—1,176	—2,051	—2,475
Deficit (—), end of year.....	—2,051	—2,475	—2,853

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	1,058	1,515	636
Accounts receivable, net.....	15	16	20
Loans receivable, net.....	44,777	63,187	87,467
Accrued interest receivable, net.....	584	620	1,300
Total assets.....	46,434	65,338	89,423
Liabilities:			
Current.....	954	1,282	1,745

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Interest-bearing capital:			
Start of year.....	37,951	47,531	66,531
Borrowings from Treasury during year, net.....	9,580	19,000	24,000
End of year.....	47,531	66,531	90,531
Deficit (—).....	—2,051	—2,475	—2,853
Total Government investment.....	45,480	64,056	87,678

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	4,692	1,058	1,515	636
Budget authorization.....	62,049	52,469	83,469	59,469
Total unexpended balance.....	66,741	53,527	84,984	60,105
Obligated balance, net:				
Current liabilities.....	557	954	1,282	1,745
Undisbursed loan obligations.....	32,773	35,153	40,652	42,152
Accounts and accrued interest receivable, net (—).....	—447	—599	—636	—1,320
Total obligated balance.....	32,883	35,508	41,298	42,577
Unobligated balance	33,858	18,019	43,686	17,528

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, PUBLIC FACILITY LOANS

Not to exceed **[\$503,500]** \$600,000 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to "Salaries and expenses" (object class 25).....	525	538	600
Financing:			
Limitation.....	525	504	600
Proposed increase in limitation due to pay increases.....		34	

PUBLIC WORKS PLANNING

[RESERVE OF PLANNED PUBLIC WORKS (PAYMENT TO REVOLVING FUND)] PUBLIC WORKS PLANNING 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),

OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

PUBLIC WORKS PLANNING—Continued

[RESERVE OF PLANNED PUBLIC WORKS (PAYMENT TO REVOLVING FUND)] *PUBLIC WORKS PLANNING FUND—continued*

[\$6,000,000] \$4,000,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Commitments for planning advances (total obligations) (object class 33).....	7,355	10,050	10,050
Financing:			
Amounts becoming available:			
Appropriation.....	6,000	6,000	4,000
Collection of advances.....	3,652	4,000	4,450
Revenue.....	2		
Total amounts becoming available.....	9,654	10,000	8,450
Unobligated balance brought forward:			
Reserved (approved contracts not yet executed).....	1,065	1,653	1,654
Unreserved.....	1,077	2,788	2,737
Total amounts available.....	11,796	14,441	12,841
Unobligated balance carried forward:			
Reserved (approved contracts not yet executed).....	-1,653	-1,654	-1,137
Unreserved.....	-2,788	-2,737	-1,654
Financing applied to program.....	7,355	10,050	10,050

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 Act of 1955 (12 U.S.C. 1462 note, 1464).

Budget program.—Program policies are aimed at achieving a reserve of planned public works reasonably assured of construction with consequent repayment of advances to the Federal Government. To reduce obsolescence of plans, the Agency requires assurance from the applicant that construction start is intended within 5 years. Actual and estimated program activity is shown in the following tabulation:

	1960 actual	1961 estimate	1962 estimate
Applications received.....	542	585	600
Processing:			
Cases disapproved or withdrawn.....	189	110	110
Gross approvals.....	467	496	516
Net approvals.....	379	429	439
Projects started and advances repaid.....	164	175	195

Financing.—The program is financed by an authorized revolving fund of \$48 million of which \$36 million has been appropriated through 1961. Cumulative repayments through 1960 amounted to \$6.9 million. Repayments are estimated at \$4 million in 1961 and \$4.5 million in 1962. Estimated approvals in the budget year amount to \$10 million requiring an appropriation of \$4 million.

Operating results.—The increase in the deficit of \$1.1 million for 1961 and the budget year chiefly represents a reserve for losses equal to 5% of advances disbursed to provide for projects which will not be started after the completion of planning. Budget expenditures are estimated at \$5.4 million for the budget year.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Disbursement of planning advances.....	8,125	9,000	9,800
Expense.....	5	50	50
Increase in selected working capital.....	148	14	20
Total gross expenditures.....	8,278	9,064	9,870
Receipts from operations (funds provided):			
Repayment of planning advances.....	3,652	4,000	4,450
Revenue.....	2		
Total receipts from operations.....	3,654	4,000	4,450
Budget expenditures.....	4,624	5,064	5,420

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	2		
Expense ¹	411	500	540
Net operating loss (—) for the year.....	-409	-500	-540
Deficit (—), beginning of year.....	-545	-954	-1,454
Deficit (—), end of year.....	-954	-1,454	-1,994

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	17,865	18,801	17,381
Accounts receivable, net.....	366	380	400
Planning advances receivable, net.....	10,815	15,365	20,225
Total assets.....	29,046	34,546	38,006
Government investment:			
Non-interest-bearing capital:			
Start of year.....	24,000	30,000	36,000
Appropriation during year.....	6,000	6,000	4,000
End of year.....	30,000	36,000	40,000
Deficit (—).....	-954	-1,454	-1,994
Total Government investment.....	29,046	34,546	38,006

¹ Excludes expense borne by the Office of the Administrator, administrative expense appropriations, amounting to \$567 thousand in 1960; \$565 thousand in 1961 and \$600 thousand in 1962.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash.....	16,489	17,865	18,801	17,381
Obligated balance, net:				
Undisbursed advance obligations.....	14,565	13,790	14,790	14,990
Accounts receivable, net (—).....	-218	-366	-380	-400
Total obligated balance.....	14,347	13,424	14,410	14,590
Unobligated balance.....	2,142	4,441	4,391	2,791

LIQUIDATING PROGRAMS

REVOLVING FUND (LIQUIDATING PROGRAMS)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants to local governments.....	93		
2. Disposition costs.....	188	150	224

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Payment to Federal National Mortgage Association (73 Stat. 670).....	60		
4. Other costs.....	902	383	425
Total obligations.....	1,243	533	649
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection and sale of loans and mortgages.....	158,214	1,546	931
Repayment of planning advances.....	706	700	400
Interest revenue on loans and mortgages.....	6,906	510	486
Other receipts.....	649	1,699	142
Recovery of prior year obligations.....	88		20
Total amounts becoming available.....	166,563	4,455	1,979
Unobligated balance brought forward.....	8,774	90,094	4,016
Total amounts available.....	175,337	94,549	5,995
Capital transfer (repayment of investment to Treasury) (—).....	—84,000	—90,000	—3,000
Unobligated balance carried forward.....	—90,094	—4,016	—2,346
Financing applied to program.....	1,243	533	649

The Independent Offices Appropriation Act, 1955, established a single revolving fund for the more efficient liquidation of a number of Housing and Home Finance Agency programs as well as any other programs that may be transferred by legislation.

Budget program.—In accordance with provisions of the Housing Act of 1959 (73 Stat. 670) \$147 million of mortgages accepted by the revolving fund in financing of real property sales were sold to the Federal National Mortgage Association during 1960. The investment remaining to be liquidated at June 30, 1960, totaled \$123 million, chiefly represented by a payment of \$90 million due the fund from FNMA and a portfolio of some \$29 million of loans, advances, and installment sales contracts. The budget program centers on the accounting, servicing, collection, and related activities for this portfolio.

Financing.—In the budget year net budgetary receipts decline to \$1.5 million reflecting the decline in the remaining principal assets of the fund to be liquidated. The Government's original investment in the consolidated liquidating program totaled almost \$2.5 billion. By the close of 1962 there will remain on hand about \$32.9 million in net assets after allowance for outstanding liabilities. Cumulative repayments to Treasury will total \$887 million with a payment of \$3 million in 1962. The following schedule shows the Government's investment at the close of each year (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Non-interest-bearing investment:			
Appropriations.....	2,214,712	2,214,712	2,214,712
Assets transferred from other agencies.....	276,859	276,859	276,859
Assets transferred to other agencies (—).....	—388,716	—390,781	—391,585
Statutory grants and donations (—).....	—770,271	—770,271	—770,271
Repayment of investment to Treasury (—).....	—794,478	—884,478	—887,478
Total non-interest-bearing investment.....	538,106	446,041	442,237

	1960 actual	1961 estimate	1962 estimate
Deficit (—).....	—414,638	—409,498	—409,301
Total Government investment.....	123,468	36,543	32,936
Net book value of principal assets:			
Cash.....	1,648	2,486	951
Loans, mortgages, and advances.....	27,019	29,000	27,244
Land, structures, and equipment.....	3,776	1,006	874
Other.....	91,025	4,051	3,867
Total Government investment.....	123,468	36,543	32,936

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans and other assets.....	82	255	275
Grants to local governments.....	93		
Expense.....	1,097	298	374
Payment to Federal National Mortgage Association (73 Stat. 670).....	60		
Increase in selected working capital.....	87,574		
Total gross expenditures.....	88,906	553	649
Receipts from operations (funds provided):			
Realization of assets:			
Loans repaid.....	11,104	655	535
Sale of mortgages to Federal National Mortgage Association (73 Stat. 670).....	147,110	891	396
Repayment of planning advances.....	706	700	400
Proceeds from sale of real property.....	345	1,608	59
Revenue.....	7,040	542	519
Other receipts.....	94	58	50
Adjustment of prior year expense and other transactions.....	136		
Decrease in selected working capital.....		86,937	155
Total receipts from operations.....	166,535	91,391	2,114
Budget expenditures.....	—77,629	—90,838	—1,465

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Proceeds from sale of real property.....	230	2,508	459
Net book value of real property sold (—).....	559	2,508	459
Net loss (—) from sale.....	—329		
Revenue.....	7,040	542	519
Expense (—).....	—10,554	4,597	—321
Net income or loss (—) for the year.....	—3,843	5,139	198
Analysis of deficit (—):			
Deficit (—), beginning of year.....	—410,945	—414,638	—409,499
Adjustment of prior year expense.....	150		
Deficit (—), end of year.....	—414,638	—409,499	—409,301

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,648	2,486	951
Accounts receivable, net.....	97,729	1,825	1,645
Loans receivable, net.....	16,023	15,384	14,879
Planning advances, net.....	10,996	13,616	12,365
Other assets, net.....	2,579	2,520	2,470
Land, structures, and equipment, net.....	3,776	1,006	875
Total assets.....	132,751	36,837	33,185
Liabilities:			
Current.....	9,283	295	250

OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

LIQUIDATING PROGRAMS—Continued

REVOLVING FUND (LIQUIDATING PROGRAMS)—continued

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Non-interest-bearing capital:			
Start of year.....	622,438	538,106	446,041
Assets transferred from other Federal agencies.....	7		
Assets transferred to other Federal agencies (—).....	-273	-2,065	-805
Assets transferred to other public bodies (—).....	-51		
Repayment of investment to Treasury (—).....	-84,000	-90,000	-3,000
Collection of claims settled by General Accounting Office.....	-15		
End of year.....	538,106	446,041	442,236
Deficit (—).....	-414,638	-409,499	-409,301
Total Government investment.....	123,468	36,542	32,935

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	8,019	1,648	2,486	951
Obligated balance, net:				
Current liabilities.....	2,343	9,283	295	250
Undisbursed grant obligations.....	110			
Accounts receivable, net, (—).....	-3,208	-97,729	-1,825	-1,645
Total obligated balance.....	-755	-88,446	-1,530	-1,395
Unobligated balance.....	8,774	90,094	4,016	2,346

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, REVOLVING FUND (LIQUIDATING PROGRAMS)

During the current fiscal year not to exceed **[\$139,500] \$150,000** shall be available for administrative expenses, 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Management and disposition of loans, investments, and real property (total accrued expenses—costs).....	573	148	150
Financing:			
Unobligated balance lapsing.....	80		
Limitation.....	653	140	150
Proposed increase in limitation due to pay increases.....		9	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	305		
Other personnel compensation.....	3		
Total personnel compensation.....	308		
12 Personnel benefits.....	21		
22 Transportation of things.....	2		
23 Rent, communications, and utilities.....	31		
25 Other services.....	3		
Payment to other accounts.....	205	148	150
26 Supplies and materials.....	3		
Total obligations.....	573	148	150

Personnel Summary

Total number of permanent positions.....	70		
Average number of all employees.....	55		
Number of employees at end of year.....	9		
Average GS grade.....	5.6		
Average GS salary.....	\$5,322		

URBAN RENEWAL

The Housing Act of 1949, as amended, authorizes Federal assistance to local governments for acquisition, clearance, and redevelopment of slums and blighted areas, and for conservation and rehabilitation of areas not requiring clearance action. Under current law, Federal grants defray two-thirds of net project costs. Contract authority totaling \$2 billion has been authorized through 1961. For 1962 it is proposed that an additional \$300 million in new obligational authority be made available, on an appropriation rather than a contract authority basis. Recommended appropriation language, based on proposed legislation, is set forth below. Temporary project financing and long-term financing of land disposed of under lease agreements through direct or guaranteed loans is provided under Treasury borrowing authorization of \$1 billion.

As a condition precedent to Federal assistance, a community is required to develop a program for community improvement to eliminate blight and achieve a stable, well-planned community with well-organized neighborhoods. The Administrator's certification of this program is made for 1 year, and annual recertification based on demonstrated satisfactory progress is required for continued eligibility for Federal assistance. The budget program projects the following activity:

	1960 actual	1961 estimate	1962 estimate
Original certifications.....	203	190	120
Recertifications.....	410	600	700

Since 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 combined financial statements for the entire program.

[GRANTS FOR SLUM CLEARANCE AND] URBAN RENEWAL FUND
(LIQUIDATION OF CONTRACT AUTHORIZATION)

For an additional amount for payment of grants as authorized by title I of the Housing Act of 1949, as amended (42 U.S.C. 1453, 1456), **[\$150,000,000] \$200,000,000.** (*Independent Offices Appropriation Act, 1961.*)

(GRANTS)

To enable the Administrator to enter into additional contracts for grants pursuant to title I of the Housing Act of 1949, as amended, \$300,000,000. (Authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grant funds reserved, net.....	327,819	354,045	300,522
Repayments of uncollectible advances.....	2,608	947	375
Reservations outstanding at beginning of year.....	601,485	552,221	594,703
Reservations outstanding at end of year (-).....	-552,221	-594,703	-510,600
Total obligations.....	379,691	312,510	385,000
Total obligations distributed as follows:			
Current year obligations.....	262,664	312,510	385,000
Reclassification of prior year reservations.....	117,027		
Financing:			
Amounts becoming available:			
Contract authorization (permanent).....	350,000	300,000	300,000
Appropriation (under proposed legislation).....			300,000
Unobligated balance brought forward (contract authorization):			
Under reservation.....	601,485	552,221	594,703
Available for reservation.....	36,316	55,889	897
Total amounts available.....	987,801	908,110	895,600
Unobligated balance carried forward (contract authorization):			
Under reservation.....	-552,221	-594,703	-210,600
Available for reservation.....	-55,889	-897	
Appropriations: Under reservation.....			-300,000
Financing applied to program.....	379,691	312,510	385,000

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	1,143,000	1,385,500	1,535,500
Contract authorization (new).....	350,000	300,000	
Unfunded balance carried forward.....	-1,385,500	-1,535,500	-1,335,500
Appropriation to liquidate contract authorization.....	107,500	150,000	200,000

Budget program.—Administrative action is taken to earmark contract authority for grants at the time approval is given for planning a project, or for a more general neighborhood planning program presaging a specific project application. This is done to assure availability of grant assistance after a considerable period of time and after 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:

	1960 actual	1961 estimate	1962 estimate
Planning approved.....	182	195	170
Planning terminated.....	35	29	25
Planning completed.....	85	184	180
Planning in process, end of year.....	328	310	275

The execution phase occurs usually over a period of several years, during which Federal grant 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. The budget recom-

mends appropriation of \$200 million for the payment in 1962 of grants under prior contracts, as compared with \$150 million appropriated for this purpose for the current year.

	1960 actual	1961 estimate	1962 estimate
Projects approved for loan and grant.....	89	176	190
Projects completed.....	12	30	60
Projects active, end of year.....	431	577	707

Federal grants are made to communities for renewal projects and for special demonstration projects reporting on improved methods for dealing with the problems of urban blight. Community renewal programs were authorized by the Housing Act of 1959 for the identification of eligible areas, the extent of need and resources available for appropriate action, and the scheduling of local renewal activities. These programs are also financed from grants. Federal grants defray full costs of relocating displaced families and businesses from urban renewal areas up to a maximum of \$200 per family, or \$3,000 per business establishment, and for restoration of loan fund losses from advances and accrued interest on terminated projects. The distribution of actual and estimated grant payments is shown in the schedule of Sources and application of funds.

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loan obligations incurred, net:			
Planning advances.....	10,582	9,782	8,100
Temporary loans.....	389,940	434,962	486,400
Adjustment of prior year obligations, net.....	148,378		
Total loan and advance obligations.....	548,900	444,744	494,500
Adjustment to estimated effect on Treasury borrowing requirements (73 Stat. 654, 671).....	-403,611	-326,222	-364,800
Total loan obligations.....	145,289	118,522	129,700
Interest on borrowings.....	2,590	2,600	2,620
Inspection and audit expense.....	1,254	1,850	2,200
Total obligations.....	149,133	122,972	134,520
Financing:			
Repayment of Federal planning advances.....	8,424	10,947	11,375
Repayment of planning advances charged off.....	363		
Restoration of availability on partial funding basis:			
Repayment of temporary loans from project settlement funds.....	6,632	4,060	2,906
Retirement of commitments resulting from repayment of guaranteed loans from project settlement funds.....	6,418	15,707	20,000
Cancellations resulting from availability of project settlement funds (waivers).....	6,196	6,923	6,250
Revenue.....	2,728	2,740	2,760
Adjustment of prior year revenues.....	329		
Inspection and audit fees.....	1,254	1,850	2,200
Recovery of prior year obligations under 73 Stat. 654, 671.....	574,630		
Total amounts becoming available.....	606,974	42,227	45,491
Unobligated balance brought forward (authorization to expend from public debt receipts).....	205,626	663,467	582,722
Total amounts available.....	812,600	705,694	628,213
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-663,467	-582,722	-493,692
Financing applied to program.....	149,133	122,972	134,520

OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

URBAN RENEWAL—Continued

URBAN RENEWAL FUND (LOANS AND PLANNING ADVANCES)—CON.

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 are repayable, with interest, from project funds.

2. *Temporary loans.*—Initial financing needs under the contract are generally met through direct short-term 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 are issued to secure private financing for the net value of redeveloped land which is leased rather than sold. No commitments for these loans were made in 1960, and none are estimated for 1961 or 1962.

The loan commitments cover total expenditures by the local public agency in carrying out the project. However, experience demonstrates that only a minor portion of the Federal loan commitment is outstanding at any one time as a direct Federal loan, since project expenditures take place over several years and early borrowings are retired progressively from local and Federal grants and from the sale of land in portions of the project prepared for reuse. In addition, private financing obtained with a pledge of the Federal loan commitment as security is relied upon as the major source of funds for temporary loans and for all definitive loans. The following table shows the status of total Federal loan commitments at the end of each of the years covered by this budget (in thousands of dollars).

	1960 actual	1961 estimate	1962 estimate
Total Federal loans and loan commitments at end of year.....	1,258,464	1,585,500	1,952,000
Federal loans and advances outstanding.....	73,407	76,400	78,400
Guaranteed non-Federal loans outstanding.....	480,264	678,000	923,000
Unutilized.....	704,793	831,100	950,600

Technical amendments to section 102(c) of the Housing Act of 1949 were enacted in 1959, redefining obligations against the Treasury borrowing authorization. As a result, Federal loan commitments of \$494 million in 1962 are reflected in the schedule above at the maximum probable Federal exposure of \$191 million.

Financing.—Borrowing authority previously committed is restored through transactions of the following four types: (a) Repayment of planning advances; (b) repayment of temporary loans from project settlement funds, which include proceeds from the sale of land, Federal grants, and local grants; (c) cancellation of temporary loan commitments by waivers permitting the use of project settlement funds as a substitute for additional loans; and (d) retirement of commitments as a result of the repayment of guaranteed non-Federal loans from project settlement funds.

The full amount of repayments of planning advances is included in the program and financing schedule for all

3 years. Under Public Law 86-372, the repayment, cancellation and retirement of temporary loans represent restoration of amounts available for obligations of only 25% of gross recoveries, because this percentage was used in estimating the Federal exposure. Repayments of Federal temporary loans from the proceeds of non-Federal guaranteed loans are not reflected on the program and financing statement since the reduction in Federal loan balances is offset by an increase in undisbursed commitments. Such repayments are shown in the statement of Sources and application of funds.

Operating results.—The small margin of interest earnings has been inadequate to balance actual losses on the unsecured planning advances for terminated projects and the continually accruing interest on Treasury borrowings used to finance the advances. This impairment of capital is being corrected, as authorized by the Housing Act of 1959, by use of the grant appropriation to repay the Treasury borrowing associated with these terminated projects.

As the analysis below indicates, the deficit resulting from capital grant payments and from uncollectible planning advances for terminated projects has been offset by appropriations made for the purpose (in thousands of dollars).

	1960 actual	1961 estimate	1962 estimate
Analysis of retained earnings:			
Cumulative capital grants.....	308,595	460,848	660,570
Losses on unsecured planning advances.....	2,608	3,555	3,930
Operating income.....	-1,442	-1,582	-1,722
Accumulated net deficit.....	309,761	462,821	662,778
Less appropriations expended.....	-311,203	-464,403	-664,500
Retained earnings.....	1,442	1,582	1,722

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of advance planning loans.....	8,413	10,289	9,000
Acquisition of temporary loans.....	118,565	82,789	81,000
Grants chargeable to capital investment:			
Grants to local public agencies.....	97,908	143,516	183,121
Relocation grants.....	3,292	4,500	6,000
Demonstration grants.....	505	1,237	2,600
Community renewal grants.....		3,000	8,000
Repayment of uncollectible advance expenses.....	2,608	947	375
Interest on borrowings.....	2,590	2,600	2,620
Inspection and audit expense.....	1,254	1,850	2,200
Total gross expenditures.....	235,135	250,728	294,916
Receipts from operations (funds provided):			
Advance planning loans repaid.....	8,424	10,947	11,375
Temporary loans repaid:			
Repaid from project settlement funds.....	26,528	16,239	11,625
Refunded with guaranteed non-Federal financing.....	89,212	62,898	65,000
Revenue.....	2,728	2,740	2,760
Inspection and audit fees.....	1,254	1,850	2,200
Adjustment of prior year transactions:			
Repayment of planning advances charged off.....	363		
Other.....	329		
Decrease in selected working capital.....	1,223	540	42
Total receipts from operations.....	130,061	95,214	93,002
Budget expenditures.....	105,074	155,514	201,914

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Revenue.....	2,728	2,740	2,760
Expense ¹	75	2,600	2,620
Net income for the year.....	2,653	140	140
Analysis of deficit (-):			
Retained earnings or deficit (-), beginning of year.....	-1,903	1,442	1,582
Adjustment of prior year transactions.....	692		
Retained earnings, end of year.....	1,442	1,582	1,722
Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury and in banks.....	84,550	79,037	377,122
Accounts receivable, net.....	2,268	2,290	2,320
Loans receivable, net.....	73,407	76,400	78,400
Total assets.....	160,225	157,727	457,842
Liabilities:			
Current.....	5,486	6,048	6,120
Government investment:			
Interest-bearing capital:			
Start of year.....	98,000	150,000	150,000
Borrowings from Treasury during year, net.....	52,000		
End of year.....	150,000	150,000	150,000
Non-interest-bearing capital:			
Start of year.....	111	3,297	97
Appropriations during year.....	107,500	150,000	500,000
Appropriations expended.....	-104,314	-153,200	-200,097
End of year.....	3,297	97	300,000
Retained earnings.....	1,442	1,582	1,722
Total Government investment.....	154,739	151,679	451,722

¹ Excludes expense borne by the Office of the Administrator administrative expense appropriations, amounting to \$6,673 thousand in 1960; \$8,215 thousand in 1961; and \$9,500 thousand in 1962.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	30,124	84,550	79,037	377,122
Budget authorization:				
Authorization to expend from public debt receipts.....	902,000	850,000	850,000	850,000
Unfinanced contract authori- zation.....	1,143,000	1,385,500	1,535,500	1,335,500
Total unexpended balance.....	2,075,124	2,320,050	2,464,537	2,562,622
Obligated balance, net:				
Current liabilities.....	4,028	5,486	6,048	6,120
Undisbursed loan and advance obligations:				
Federally guaranteed private loans.....	273,449	264,568	342,461	429,630
Other undisbursed loan com- mitments.....	450,932			
Undisbursed capital grant obli- gations.....	505,309	780,687	939,996	1,124,900
Accounts receivable, net (-).....	-2,021	-2,268	-2,290	-2,320
Total obligated balance.....	1,231,697	1,048,473	1,286,215	1,558,330
Unobligated balance.....	843,427	1,271,577	1,178,322	1,004,292
Distribution of unobligated balance:				
Grants:				
Contract authority.....	637,801	608,110	595,600	210,600
Appropriations.....				300,000
Loans and advances (authoriza- tion to expend from public debt receipts).....	205,626	663,467	582,722	493,692

COMMUNITY DISPOSAL OPERATIONS

COMMUNITY DISPOSAL OPERATIONS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Loans acquired to finance property dis- posal:			
(a) Purchase money mortgages.....	3,849	2,641	
(b) Improvement loans.....	23		
2. Administrative and other expenses.....	397	235	75
3. Statutory credits granted to purchasers:			
Priority purchasers, 15%.....	215		
Waiver of indemnity, 10%.....	144		
Credit for property improvements.....	78	29	
Total obligations.....	4,706	2,905	75
Financing:			
Amounts becoming available:			
Assets transferred from Atomic Energy Commission at appraised value.....	8,346	3,658	
Value added by property improvements financed at sale.....	23		
Collection of mortgages and purchase con- tracts.....	638	1,030	12
Proceeds from sale of mortgages.....	418	2,700	6,800
Interest and other revenue.....	347	368	5
Gain or loss (-) on the sale of realty.....	871	-101	
Total amounts becoming available.....	10,643	7,655	6,817
Unobligated balance brought forward.....	3,317	1,254	1,004
Total amounts available.....	13,960	8,909	7,821
Capital transfer (repayment of investment to Treasury) (-).....	-8,000	-5,000	-7,500
Unobligated balance carried forward.....	-1,254	-1,004	-245
Financing applied to program.....	4,706	2,905	75

The sales and financing of Government-owned residential and commercial properties at the Atomic Energy Commission installations of Oak Ridge, Tenn., and Richland, Wash., as authorized by the Atomic Energy Community Act of 1955 (69 Stat. 471) are administered by the Housing and Home Finance Agency.

Budget program.—It is estimated that the remaining inventory of some 621 parcels of apartments, commercial buildings, and vacant land will be disposed of by the end of 1961. During the budget year purchase money mortgages, accepted in financing property sales, totaling \$6.8 million will be serviced and disposed of in orderly fashion. Sales proceeds, after statutory allowances for priority purchasers, derived from property disposition through June 30, 1960, amounted to \$61 million as follows:

	Number	Amount (in millions)
Cash.....		\$29.3
Purchase money mortgages.....	5,467	31.1
Purchase contracts.....	176	.7
Total.....	5,643	61.1

Operating results.—With the residual real property inventory estimated to be disposed of in 1961 and the remaining mortgage portfolio to be disposed of in the budget year, cumulative net earnings at the close of 1962 are estimated at \$0.8 million. Total repayment of Government investment will amount to \$62 million with a payment of \$7 million in 1962. The following table shows the cumulative results of the program at the close of the 3 years covered by this budget (in thousands of dollars):

OFFICE OF THE ADMINISTRATOR—Continued

Public enterprise funds—Continued

COMMUNITY DISPOSAL OPERATIONS—Continued

COMMUNITY DISPOSAL OPERATIONS FUND—continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Assets transferred from Atomic Energy Commission at appraised value.....	75,549	79,207	79,207
Statutory allowances (—).....	—17,281	—17,311	—17,311
Repayment of investment to Treasury (—).....	—50,000	—55,000	—62,500
Earnings.....	886	918	848
Net Government investment, end of year.....	9,154	7,815	245

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Purchase money mortgages.....	3,849	2,641	-----
Improvement loans made.....	23	-----	-----
Expense.....	397	235	75
Increase in selected working capital.....	43	171	5
Total gross expenditures.....	4,312	3,047	80
Receipts from operations (funds provided):			
Proceeds from sale of property.....	8,802	3,528	-----
Proceeds from sale of mortgages.....	418	2,700	6,800
Repayments of purchase money mortgages and purchase contracts.....	638	1,030	12
Revenue.....	347	368	5
Total receipts from operations.....	10,205	7,626	6,817
Budget expenditures.....	—5,893	—4,579	—6,737

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Proceeds of real estate sales.....	8,802	3,528	-----
Appraised value of realty sold after statutory allowances (—).....	—7,931	—3,629	-----
Net gain or loss (—) from sale of realty.....	871	—101	-----
Proceeds of mortgage sales.....	418	2,700	6,800
Book value of mortgages sold (—).....	—418	—2,700	—6,800
Net gain from sale of mortgages.....	-----	-----	-----
Operating income:			
Revenue.....	347	368	5
Expense.....	397	235	75
Net operating income or loss (—).....	—50	133	—70
Net income or loss (—) for the year.....	821	32	—70
Retained earnings, beginning of year.....	65	886	918
Retained earnings, end of year.....	886	918	848

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	1,430	1,009	245
Accounts receivable, net.....	45	45	-----
Purchase money mortgages (includes improvement loans).....	7,900	6,811	-----
Total assets.....	9,375	7,865	245
Liabilities:			
Current.....	221	50	-----

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Non-interest-bearing capital:			
Start of year.....	8,359	8,268	6,897
Assets transferred from Atomic Energy Commission.....	8,346	3,658	-----
Statutory allowances (—).....	—437	—29	-----
Repayment of investment to Treasury (—).....	—8,000	—5,000	—7,500
End of year.....	8,268	6,897	—603
Retaining earnings.....	886	918	848
Total Government investment.....	9,154	7,815	245

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury....	3,537	1,430	1,009	245
Obligated balance, net:				
Current liabilities.....	242	221	50	-----
Accounts receivable, net (—).....	—22	—45	—45	-----
Total obligated balance.....	220	176	5	-----
Unobligated balance.....	3,317	1,254	1,004	245

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	397	235	75
33 Investments and loans.....	3,872	2,641	-----
41 Grants, subsidies, and contributions.....	437	29	-----
Total obligations.....	4,706	2,905	75

HOUSING FOR THE ELDERLY

[HOUSING FOR THE ELDERLY (PAYMENT TO REVOLVING FUND)]

[For payment to the revolving fund established pursuant to section 202 of the Housing Act of 1959, \$20,000,000.] (Independent Offices Appropriation Act, 1961.)

OPERATIONS, HOUSING FOR THE ELDERLY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Loan commitments, net.....	-----	19,400	-----
2. Administrative expense.....	-----	240	275
Total obligations.....	-----	19,640	275
Financing:			
Amounts becoming available:			
Appropriations.....	-----	20,000	-----
Revenue.....	-----	2	206
Total amounts becoming available.....	-----	20,002	206
Unobligated balance brought forward: Unreserved.....	-----	-----	362
Total amounts available.....	-----	20,002	563
Unobligated balance carried forward: Unreserved.....	-----	—362	—293
Financing applied to program.....	-----	19,640	275

The Independent Offices Appropriation Act, 1961 (73 Stat. 667), provided an appropriation of \$20 million constituting a revolving fund to initiate a limited program of direct loans for housing for the elderly as authorized under section 202 of the Housing Act of 1959. Appropriations of \$50 million are authorized by that act. Loans are to be made only to private nonprofit corporate sponsors of rental housing and related facilities for elderly families and persons. The housing and related facilities may be provided through new construction or through the acquisition and rehabilitation or conversion of existing structures. Loans may be made for not more than 98% of the total development cost and must be repaid over a period not exceeding 50 years. Loans bear interest at a rate set by statutory formula each year; for 1961 the rate is 3½%. Disbursement of Federal funds will be made at completion of construction.

Budget program.—It is estimated that almost all of the initial \$20 million will be obligated during 1961. Anticipated workload is as follows (dollars in millions):

	1961 estimate	1962 estimate
Preliminary applications.....	400	---
Full applications.....	165	---
Loan commitments, number.....	49	---
Loan commitments, amount.....	\$19.4	---
Construction:		
Starts.....	20	29
Completions.....	2	33

Financing.—The program is financed by a revolving fund to which \$20 million has been appropriated. It is estimated that construction on two projects will be completed by the end of 1961 and \$800 thousand will be disbursed from the fund. During the budget year an estimated 33 projects will be completed for a total of \$13.2 million.

Operating results.—The deficit at the end of the current and the budget years represents administrative costs of operating the program and a provision for losses equal to one-half of 1% of loans disbursed. Budgetary expenditures for the 2 years are \$1 million and \$13.5 million, respectively.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans.....		800	13,200
Expense.....		240	275
Increase in selected working capital.....		2	204
Total gross expenditures.....		1,042	13,679
Receipts from operations (funds provided):			
Revenue.....		2	206
Budget expenditures.....		1,040	13,473

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....		2	206
Expense.....		244	341
Net operating loss (—) for the year.....		—242	—135
Deficit (—), beginning of year.....			—242
Deficit (—), end of year.....		—242	—377

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....		18,960	5,487
Accounts receivable, net.....		2	206
Loans receivable, net.....		796	13,930
Total assets.....		19,758	19,623
Government investment:			
Non-interest-bearing capital:			
Start of year.....			20,000
Appropriation.....		20,000	---
End of year.....		20,000	20,000
Deficit (—).....		—242	—377
Total Government investment.....		19,758	19,623

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....			18,960	5,487
Obligated balance, net:				
Undisbursed loan commitments.....			18,600	5,400
Accounts receivable, net (—).....			—2	—206
Total obligated balance.....			18,598	5,194
Unobligated balance.....			362	293

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....		240	275
33 Investments and loans.....		19,400	---
Total obligations.....		19,640	275

Proposed for later transmission:

COLLEGE HOUSING

LIMITATION ON ADMINISTRATIVE EXPENSES, OFFICE OF THE ADMINISTRATOR, COLLEGE HOUSING LOANS

Under existing limitation, 1961.—A supplemental increase in the limitation for 1961 is required to enable processing of loan applications under the additional amount of \$500 million authorized by Public Law 788 of the 86th Congress.

FEDERAL FLOOD INDEMNITY ADMINISTRATION

Public enterprise funds:

INVESTMENT IN FLOOD INDEMNITY OPERATIONS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	500,000	500,000	500,000
Unobligated balance carried forward (authorization to expend from public debt receipts).....	—500,000	—500,000	—500,000
Financing applied to program.....			

**FEDERAL FLOOD INDEMNITY
ADMINISTRATION—Continued**

Public enterprise funds—Continued

INVESTMENT IN FLOOD INDEMNITY OPERATIONS—Continued

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 nor are any 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; it also manages and sells certain noninsured or nonguaranteed mortgages that have been or may be acquired from authorized sources. 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 1961 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1961. For 1962 this paragraph is shown in the independent offices chapter, p. 156, following Federal Deposit Insurance Corporation.

Public enterprise funds:

SECONDARY MARKET OPERATIONS

PAYMENT FOR PREFERRED STOCK OF FEDERAL NATIONAL MORTGAGE ASSOCIATION

For payment for preferred stock of the Federal National Mortgage Association, issued and delivered to the Secretary of the Treasury pursuant to section 303(d) of the National Housing Act, as amended, \$35,000,000, to remain available until expended. (Authorizing legislation to be proposed for 1962.)

LOANS TO SECONDARY MARKET OPERATIONS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loans to the secondary market operations fund.....	795,105	450,000	700,000
Purchase of preferred stock in the Secondary market operations fund.....		28,000	40,000
Total obligations.....	795,105	478,000	740,000
Financing:			
Amounts becoming available:			
Repayments of loans by the Secondary market operations fund.....	836,636	450,000	700,000
Appropriation for preferred stock (based on proposed legislation).....			35,000
Unobligated balance brought forward (authorization to expend from public debt receipts).....	2,273,469	2,315,000	2,287,000
Total amounts available.....	3,110,105	2,765,000	3,022,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balances carried forward (authorization to expend from public debt receipts).....	-2,315,000	-2,287,000	-2,282,000
Financing applied to program.....	795,105	478,000	740,000

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, that are 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 (pp. 946-947).

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 Mar. 27, 1957) and \$65 million (Public Law 85-104, approved July 12, 1957) were authorized. Authorized preferred stock has actually been subscribed only as needed to support the Association's borrowing. At the end of 1960, authorized unissued stock amounted to \$65 million. These estimates contemplate the subscription of an additional \$28 million in preferred stock in 1961 and \$40 million in 1962. Additional legislative authorization and appropriations of \$35 million in 1962 are proposed to effect the increased subscriptions and to provide the additional capital required to finance in 1963 mortgage purchases under undisbursed commitments estimated to be outstanding at the end of 1962.

The 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 pursuant to a statutory requirement which provides that sellers of mortgages to the Association must subscribe to common stock in an amount equal to not more than 2% nor less than 1% of the unpaid principal amounts of the mortgages involved, as determined from time to time by the Association, taking into consideration conditions in the mortgage market and the general economy.

Recommendations for legislation to transfer ownership of the Association to private owners of capital stock must be submitted to the Congress as promptly as practicable

after all the Treasury-held 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) 10 times the sum of the capital and surplus applicable to these operations, or (b) the sum of assets free from any liens or incumbrances, represented by cash, mortgages, obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds. The Secretary of the Treasury, so long as the preferred stock is outstanding, is authorized to purchase such debentures in an amount not exceeding \$2.25 billion outstanding at any one time.

Budget program.—The secondary market operations established in 1955, are now fully recognized by the home mortgage market and have reached significant levels. Because of the limited supply of funds which are estimated to be available for long-term investment and anticipated continuation of relatively high interest rates, mortgage purchases are estimated at a larger volume in 1962 than in 1961. For the same reason, only a limited volume of mortgages is estimated to be sold during the same period.

The following table sets forth the principal activities estimated for the secondary market operations (in millions of dollars).

	1960 actual	1961 estimate	1962 estimate
Mortgage purchases (net of discount).....	1,056.1	730.6	976.5
Mortgage sales (net of discount).....	5.0	96.3	48.0
Repayments and other credits.....	67.5	95.8	124.8
Balance in portfolio at end of year.....	2,494.9	3,033.5	3,837.2

The prices at which mortgages are purchased under these operations are established by the Association within the range of market prices for the particular class of mortgages involved. In establishing its purchase prices, the Association follows the policies and practices of private institutions and varies such prices by geographic location, interest rate of the loan, and the ratio of the purchaser's equity to the value or cost of the subject property. The budget assumes that mortgages will be purchased during 1961 and 1962 at average discounts of 2.6 and 2.3 points, respectively, below their face value and that sales will be made at average prices of 0.9 and 0.5 point, respectively, above the purchase price.

Financing.—Substantial interim Treasury borrowings will be necessary during 1961 and 1962, but the proceeds of borrowings from the public through the sale of debentures and short term discount notes are expected 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, from repayments and prepayments of mortgage principal and from earnings. 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 in the following table (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Private financing:			
Nonguaranteed obligations.....	2,284.5	2,761.3	3,481.3
Common stock subscribed.....	65.5	81.0	101.4
Treasury financing:			
Borrowing from Treasury.....	---	---	---
Preferred stock.....	142.8	170.8	210.8

Operating results.—Operations are reflected in budget expenditures only to the extent of Treasury financing.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of preferred stock in the Secondary market operations fund.....	---	28,000	40,000
Loans to the Secondary market operations fund.....	795,105	450,000	700,000
Total expenditures.....	795,105	478,000	740,000
Receipts from operations (funds provided):			
Repayment of loans by the Secondary market operations fund.....	836,636	450,000	700,000
Budget expenditures.....	-41,531	28,000	40,000

SPECIAL ASSISTANCE FUNCTIONS

PAYMENT TO SPECIAL ASSISTANCE FUNCTIONS FUND

For purchases and commitments to purchase mortgages pursuant to sections 305(a) and 305(c) of the National Housing Act, as amended, to be borrowed from the Secretary of the Treasury, in accordance with the provisions of section 305(d) of said Act, \$250,000,000, as an additional amount under section 305(c) of said Act. (Authorizing legislation to be proposed for 1962.)

SPECIAL ASSISTANCE FUNCTIONS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operations:			
1. Mortgage servicing fees.....	5,476	6,300	7,115
2. Interest on Treasury borrowings.....	57,893	67,135	74,470
3. Other obligations.....	1,016	2,205	1,655
Total operations.....	64,385	75,640	83,240
Capital outlay: Mortgage purchase commitments:			
Urban renewal and relocation housing.....	169,560	220,000	277,000
Housing for the elderly.....	44,030	45,000	60,000
Housing in Alaska, Guam, and disaster areas.....	17,060	14,000	10,000
Armed services housing.....	19,083	18,172	18,000
Cooperative housing.....	48,924	20,875	---
Low cost housing (\$13,500 or less).....	351	---	---
Total capital outlay.....	299,008	318,047	365,000
Total obligations.....	363,393	393,687	448,240
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts:			
Authorized.....	25,000	---	---
Proposed legislation.....	---	---	250,000
Revenue and receipts:			
Mortgage loan repayments and sales.....	38,590	72,820	59,820
Interest on mortgage loans.....	72,203	85,260	97,830
Commitment fees.....	2,634	3,180	3,650
Purchase and marketing fees and other receipts.....	3,680	1,640	1,780
Recovery of prior year obligations.....	152,686	18,922	18,805
Total amounts becoming available.....	294,792	181,822	431,885

FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

SPECIAL ASSISTANCE FUNCTIONS—Continued

SPECIAL ASSISTANCE FUNCTIONS FUND—continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	665,558	567,338	332,473
Total amounts available.....	960,350	749,160	764,358
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-567,338	-332,473	-286,118
Unobligated balance lapsing (authorization to expend from public debt receipts).....	-29,619	-23,000	-30,000
Financing applied to program.....	363,393	393,687	448,240

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 to purchase and to purchase mortgages up to \$950 million outstanding at any one time. Additional authorization in the amount of \$250 million is requested for 1962. Proposed appropriation language, subject to the enactment of authorizing legislation, is included above.

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 \$225 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 prices paid for mortgages under these functions are established by the Association at the time of the announcement of each individual program, but may be adjusted thereafter from time to time.

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 1961 and 1962, Federal National Mortgage Association will provide special assistance, under presidential determination, in respect to (1) housing in or supporting urban renewal areas; (2) housing for the elderly; (3) housing in Alaska and Guam, and (4) disaster housing. In addition, cooperative and armed services housing will receive limited assistance under the special authority cited above.

Mortgage purchase commitments under the special assistance functions are estimated to increase from \$299 million in 1960, to \$318 million in 1961, and to \$365 million in 1962. The principal factors in these changes occur in the support furnished housing in urban renewal areas and in housing for the elderly.

Commitments for mortgages on housing in urban renewal areas and for the relocation of displaced families are estimated to increase from \$169.6 million in 1960 to \$220 million in 1961 and to \$277 million in 1962. This increase is due chiefly to the rapid rate at which land is becoming available for redevelopment under the urban renewal program. Commitments for mortgages originated under the program of housing for the elderly will also increase in 1961 and 1962 over 1960.

Only limited usage will be made of the revolving feature of the authorization for armed services housing and for cooperative housing.

The purchase of mortgages lags well behind commitments. The following table shows actual and estimated purchases during 1960, 1961, and 1962 (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Purchases:			
1. Urban renewal.....	133.9	184.0	187.0
2. Housing for the elderly.....	25.4	30.0	57.5
3. Alaska, Guam, and disaster areas..	14.5	14.0	6.5
4. Armed services housing.....	130.6	16.1	14.0
5. Cooperative housing.....	27.0	31.9	35.0
6. Low-cost housing (\$13,500 or less).....	186.3	-----	-----
Total purchases.....	517.7	276.0	300.0
Less purchase discount.....	1.9	3.2	3.0
Total purchases, net.....	515.8	272.8	297.0

Sales from this portfolio amounted to \$0.3 million in 1960 and are estimated at \$20 million for 1961. No mortgage sales are assumed for 1962.

Financing.—Net borrowings from the Treasury were \$449.4 million in 1960 and are estimated at \$180 million in 1961 and \$210 million in 1962, thereby increasing the interest-bearing investment of the Government to \$2,009 million at the end of 1962.

Operating results.—Previously, earnings were retained and paid into miscellaneous receipts of the Treasury following the year earned. A payment of \$189 thousand was made in 1957, another payment of \$2,445 thousand was made in 1958. In order to protect the Association against losses inherent in a portfolio of this size, earnings will be retained and accumulated. The following table shows the cumulative amounts at the end of each year covered by these estimates (in thousands of dollars):

RETAINED EARNINGS (CUMULATIVE)	
1958 actual.....	7,238
1959 actual.....	24,034
1960 actual.....	37,906
1961 estimate.....	52,208
1962 estimate.....	72,078

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY

Description [In thousands of dollars]	[In thousands of dollars]		
	1960 actual	1961 estimate	1962 estimate
<i>Under Presidential Determination (Sec. 305(c))</i>			
Mortgage purchase authority.....	950,000	950,000	1,200,000
Charges against authority:			
Mortgage loans outstanding at end of year.....	305,950	522,950	759,950
Undisbursed commitments at end of year.....	309,514	347,514	428,514
Total charges against authority..	615,464	870,464	1,188,464
Unused authority.....	334,536	79,536	11,536
<i>Cooperative Housing (Sec. 305(e))</i>			
Mortgage purchase authority.....	225,000	225,000	225,000
Charges against authority:			
Mortgage loans outstanding at end of year.....	133,773	161,646	191,446
Undisbursed commitments at end of year.....	67,211	55,753	20,000
Total charges against authority..	200,984	217,399	211,446
Unused authority.....	24,016	7,601	13,554
<i>Armed Services Housing (Sec. 305(f))</i>			
Mortgage purchase authority.....	500,000	500,000	500,000
Charges against authority:			
Mortgage loans outstanding at end of year.....	429,049	411,776	410,976
Undisbursed commitments at end of year.....	10,958	12,052	16,000
Total charges against authority..	440,007	423,828	426,976
Unused authority.....	59,993	76,172	73,024
<i>Low and Moderate Priced Housing (Sec. 305(g))</i>			
Mortgage purchase authority.....	1,000,000	1,000,000	1,000,000
Charges against authority:			
Mortgage loans outstanding at end of year.....	821,300	796,700	770,700
Undisbursed commitments at end of year.....	1,361	-----	-----
Total charges against authority..	822,661	796,700	770,700
Unused authority.....	177,339	203,300	229,300
<i>Total, All Programs</i>			
Mortgage purchase authority.....	2,675,000	2,675,000	2,925,000
Charges against authority:			
Mortgage loans outstanding at end of year.....	1,690,072	1,893,072	2,133,072
Undisbursed commitments at end of year.....	389,044	415,319	464,514
Total charges against authority..	2,079,116	2,308,391	2,597,586
Unused authority.....	595,884	366,609	327,414
Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages.....	515,769	272,850	297,000

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Con.			
Expense.....	64,385	75,640	83,240
Total gross expenditures.....	580,155	348,490	380,240
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales.....	38,590	72,820	59,820
Revenue.....	78,517	90,080	103,260
Decrease in selected working capital.....	14,056	6,675	7,160
Total receipts from operations.....	131,163	169,575	170,240
Budget expenditures.....	448,992	178,915	210,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	78,517	90,080	103,260
Expense.....	64,644	75,778	83,390
Net income for year.....	13,872	14,302	19,870
Retained earnings, beginning of year.....	24,034	37,906	52,208
Retained earnings, end of year.....	37,906	52,208	72,078

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	-----	1,000	1,000
U.S. securities—FHA debentures on hand.....	1,915	2,000	2,000
Accounts receivable, net.....	13,635	17,952	21,190
Loans receivable, net—FHA-insured and VA-guaranteed mortgages.....	1,685,418	1,885,311	2,122,341
Total assets.....	1,700,969	1,906,263	2,146,531
Liabilities:			
Current.....	44,096	55,088	65,486
Government investment:			
Interest-bearing capital:			
Start of year.....	1,169,597	1,618,967	1,798,967
Borrowings from Treasury during year, net.....	449,370	180,000	210,000
End of year.....	1,618,967	1,798,967	2,008,967
Retained earnings.....	37,906	52,208	72,078
Total Government investment.....	1,656,873	1,851,175	2,081,045

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash and U.S. securities.....	1,538	1,915	3,000	3,000
Budget authorization.....	1,438,917	984,928	781,928	791,928
Total unexpended balance.....	1,440,455	986,843	784,928	794,928
Obligated balance, net:				
Current liabilities.....	21,850	44,096	55,088	65,486
Undisbursed mortgage commitments.....	758,492	389,044	415,319	464,514
Accounts receivable, net (—).....	—5,445	—13,635	—17,952	—21,190
Total obligated balance.....	774,897	419,505	452,455	508,810
Unobligated balance.....	665,558	567,338	332,473	286,118

**FEDERAL NATIONAL MORTGAGE
ASSOCIATION—Continued**

Public enterprise funds—Continued

MANAGEMENT AND LIQUIDATING FUNCTIONS

MANAGEMENT AND LIQUIDATING FUNCTIONS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operations:			
Mortgage servicing fees.....	8,493	7,150	6,400
Interest on borrowings from the public.....	28,904	4,175	-----
Other.....	2,487	1,910	1,822
Interest on Treasury borrowings.....	25,557	40,160	39,509
Total operations.....	65,441	53,395	47,722
Capital outlay:			
Mortgages purchased from "Revolving fund (liquidating programs)" (73 Stat. 670).....	158,324	900	300
Administrative furniture and equipment.....	73	70	70
Total capital outlay.....	158,397	970	370
Total obligations.....	223,837	54,365	48,092
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Mortgage loan repayments and sales.....	476,632	165,000	160,000
Sale of administrative property.....	6	5	5
Interest on mortgage loans.....	79,045	69,375	62,590
Interest on U.S. securities.....	2,053	2,000	2,000
Other revenue.....	5,345	125	125
Payment from "Revolving fund (liquidating programs)" (73 Stat. 670).....	60	-----	-----
Recovery of prior year obligations.....	10,583	9	3
Total amounts becoming available.....	573,724	236,514	224,723
Unobligated balance brought forward (investment in U.S. securities: FHA debentures).....	37,510	-33,383	55,808
Total amounts available.....	611,234	203,131	280,531
Unobligated balance carried forward (investment in U.S. securities: FHA debentures).....	33,383	-55,808	-57,439
Unobligated balance lapsing (authorization to expend from public debt receipts).....	-420,779	-92,958	-175,000
Financing applied to program.....	223,837	54,365	48,092

The Association, in its management and liquidating functions, is required by law to manage and liquidate its portfolio of mortgages acquired under contracts made before November 1, 1954, and those other mortgages that have been or may be acquired from authorized sources (73 Stat. 670). Such liquidation is to be in an orderly manner, with a minimum of 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 initial mortgage purchasing phase of this activity has been completed and normally only the management and ultimate liquidation of the portfolio would need to be completed. However, additional mortgages will be acquired for this portfolio from constituent agencies of

the Housing and Home Finance Agency from time to time pursuant to 73 Stat. 670.

Budget program.—There will be no mortgages purchased under commitments made prior to November 1, 1954, for this portfolio during the period covered by these estimates. That purchasing program was completed during 1958. Acquisitions of mortgages on war and emergency housing from the Revolving fund (liquidating programs) under 73 Stat. 670 during 1961 and 1962 are estimated at \$0.9 million and \$0.3 million, respectively.

During 1960, mortgages in the amount of \$311.3 million were exchanged for certain nonmarketable Treasury bonds which were, in turn, redeemed at par by the Secretary of the Treasury. There were no sales of mortgages during that period nor are any sales or exchanges contemplated for 1961 and 1962.

Liquidation of mortgage principal resulting from repayments, prepayments, foreclosures, and transfers in lieu of foreclosures are estimated to amount to \$165 million in 1961 and to \$160 million in 1962, and will reduce the portfolio by those amounts.

Financing.—As of June 30, 1960, outstanding notes of the management and liquidating functions held by private investors amounted to \$797.4 million. These nonguaranteed notes were issued to the public in January 1958 and matured in August 1960; they were redeemed by borrowing from the Treasury, thus increasing the indebtedness of the Association to the Treasury by that amount. These estimates make no provision for the sale of additional notes to private investors.

Net repayments of Treasury borrowings were \$420.8 million in 1960. It is estimated that net borrowings in 1961 will be \$704.4 million and net repayments in 1962 will be \$175 million.

Operating results.—As a consequence of a reduction in the outstanding portfolio of the management and liquidating functions, net income is estimated to decline from \$20,994 thousand in 1960 to \$18,050 thousand in 1961 and \$16,955 thousand in 1962.

All benefits and burdens of the management and liquidating functions inure solely to the Secretary of the Treasury. Retained earnings reserved for losses and contingencies at the end of 1960 amounted to \$152.3 million and are estimated at \$170.4 million and \$187.3 million, respectively, for 1961 and 1962.

POSITION WITH RESPECT TO MORTGAGE PURCHASE AUTHORITY
[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Mortgage purchase authority ¹	1,726,476	1,560,976	1,399,876
Charges against authority: Mortgages outstanding at end of year.....	1,726,476	1,560,976	1,399,876
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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Purchase of mortgages from "Revolving fund (liquidating programs)" (73 Stat. 670).....	147,740	891	297
Administrative furniture and equipment.....	73	70	70
Expense.....	65,460	53,400	47,710
Increase in selected working capital.....	-----	88,055	1,643
Total gross expenditures.....	213,274	142,416	49,720

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Repayments on mortgages.....	476,632	165,000	160,000
Proceeds of sale of administrative furniture and equipment.....	6	5	5
Revenue.....	86,443	71,500	64,715
Payment from "Revolving fund (liquidating programs)" (73 Stat. 670).....	60		
Decrease in selected working capital.....	87,353		
Total receipts from operations.....	650,494	236,505	224,720
Budget expenditures.....	-437,220	-94,089	-175,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	86,443	71,500	64,715
Expense.....	65,452	53,450	47,760
Net operating income.....	20,990	18,050	16,955
Nonoperating income:			
Proceeds from sale of administrative prop- erty and equipment.....	6	5	5
Net book value of assets sold (-).....	-3	-5	-5
Net nonoperating income.....	3		
Net income for the year.....	20,994	18,050	16,955
Retained earnings, beginning of year.....	131,314	152,307	170,357
Retained earnings, end of year (re- served for losses and contingencies, under sec. 307(c)).....	152,307	170,357	187,312

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and on hand.....	5,855	2,000	2,000
U.S. securities—FHA debentures on hand.....	70,014	75,000	75,000
Accounts receivable, net.....	22,572	19,600	17,600
Deferred charges—prepaid expense.....	11	6	18
Investment in Defense Housing Corporation assets, net.....	20,139	18,760	17,312
Federal Housing Administration insured and Veterans Administration guaranteed mort- gages.....	1,536,118	1,386,000	1,239,500
Direct mortgage loans transferred from Reconstruction Finance Corporation.....	357	306	254
Mortgages purchased from "Revolving fund (liquidating programs)" (73 Stat. 670), net.....	144,869	132,308	120,605
Administrative furniture and equipment, net.....	315	330	345
Total assets.....	1,800,250	1,634,310	1,472,634
Liabilities:			
Current.....	131,815	40,783	37,152
Debentures payable to the public:			
Unmatured.....	797,344		
Matured and unredeemed.....	15		
Total debentures payable to the public.....	797,359		
Government investment:			
Interest-bearing capital:			
Start of year.....	1,139,541	718,768	1,423,170
Borrowings from Treasury during year, net.....	-420,773	704,402	-175,000
End of year.....	718,768	1,423,170	1,248,170

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment—Continued			
Retained earnings.....	152,307	170,357	187,312
Total Government investment.....	871,076	1,593,527	1,435,482

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash and U.S. securities.....	59,428	75,869	77,000	77,000
Obligated balance, net:				
Current liabilities.....	50,968	131,815	40,783	37,152
Unpaid undelivered orders.....	22	9	9	9
Accounts receivable, net (-).....	-29,072	-22,572	-19,600	-17,600
Total obligated balance.....	21,918	109,252	21,192	19,561
Unobligated balance.....	37,510	-33,383	55,808	57,439

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL
NATIONAL MORTGAGE ASSOCIATION

Not to exceed **[\$6,550,000]** \$7,450,000 shall be available for administrative expenses, which shall be on an accrual basis, and shall be exclusive of interest paid, expenses (including expenses for fiscal agency services performed on a contract or fee basis) in connection with the issuance and servicing of securities, depreciation, properly capitalized expenditures, fees for servicing mortgages, expenses (including services performed on a force account, contract, or fee basis, but not including other personal services) in connection with the acquisition, protection, operation, maintenance, improvement, or disposition of real or personal property belonging to said Association or in which it has an interest, cost of salaries, wages, travel, and other expenses of persons employed outside of the continental United States, expenses of services performed on a contract or fee basis in connection with the performance of legal services, and all administrative expenses reimbursable from other Government agencies, and said Association may utilize and may make payment for services and facilities of the Federal Reserve banks and other agencies of the Government: *Provided*, That the distribution of administrative expenses to the accounts of the Association shall be made in accordance with generally recognized accounting principles and practices. (12 U.S.C. 1716-1723d; 5 U.S.C. 133z-15; *Independent Offices Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Secondary market operations.....	2,850	3,725	4,250
2. Special assistance functions.....	1,003	1,375	1,600
3. Management and liquidating functions.....	2,177	1,800	1,600
Total accrued expenses, costs.....	6,030	6,900	7,450
Financing:			
Advances and reimbursements from other accounts.....	-60		
Unobligated balance lapsing.....	180		
Limitation.....	6,150	6,550	7,450
Proposed increase in limitation due to pay increases.....		350	

FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,630	5,387	5,857
Other personnel compensation.....	147	101	87
Total personnel compensation.....	4,777	5,488	5,944
12 Personnel benefits.....	313	406	438
21 Travel and transportation of persons.....	121	150	150
22 Transportation of things.....	10	11	12
23 Rent, communications, and utilities.....	555	572	622
24 Printing and reproduction.....	62	67	71
25 Other services.....	131	141	144
General Accounting Office audit costs.....	20	21	22
26 Supplies and materials.....	41	44	47
Total accrued expenses, costs.....	6,030	6,900	7,450

Personnel Summary

Total number of permanent positions.....	933	954	994
Average number of all employees.....	830	898	944
Number of employees at end of year.....	873	925	968
Average GS grade.....	6.3	6.7	6.7
Average GS salary.....	\$5,566	\$6,129	\$6,136

FEDERAL HOUSING ADMINISTRATION

Note.—Expenditures from the following fund for 1961 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1961. For 1962 this paragraph is shown in the independent offices chapter, p. 156, following Federal Deposit Insurance Corporation.

Public enterprise funds:

FEDERAL HOUSING ADMINISTRATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Home modernization and repair insurance program (title I, sec. 2):			
Administration.....	1,054	1,166	1,275
Initiation.....	403	452	538
Maintenance.....	293	329	365
Settlement.....	5,511	9,343	10,044
2. Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Administration.....	4,718	5,296	5,502
Initiation.....	34,244	34,680	40,946
Maintenance.....	1,720	2,042	2,392
Settlement.....	22,625	47,315	60,632
3. Basic multifamily mortgage insurance programs (title II, secs. 207, 213, 231, and 232):			
Administration.....	928	1,035	1,150
Initiation.....	2,530	4,582	4,549
Maintenance.....	129	174	206
Settlement.....	3,415	6,291	4,818

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Administration.....	352	396	443
Initiation.....	871	1,465	1,820
Maintenance.....	22	34	58
Settlement.....	930	5,150	6,339
5. Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Administration.....	221	244	270
Initiation.....	449	786	745
Maintenance.....	34	34	46
Settlement.....	4,931	10,351	802
6. Emergency and other special incentive programs (titles VI, VII and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Administration.....	750	874	1,035
Initiation.....	4	10	10
Maintenance.....	425	1,159	1,272
Settlement.....	17,983	19,119	17,081
7. Net gain on sale of equipment.....	-2		
Total operating costs.....	104,540	152,327	162,338
8. Unfunded adjustments to total operating costs:			
Depreciation included above (—).....	-277	-290	-310
Net gain on sale of equipment.....	2		
Losses and provision for losses included above (—).....	-36,688	-76,338	-75,963
Total operating costs, funded.....	67,577	75,699	86,065
Capital outlay:			
1. Home modernization and repair insurance program (title I, sec. 2): Acquisition of defaulted notes.....	10,790	12,935	13,948
2. Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222): Acquisition of real properties.....	31,897	79,966	111,946
3. Basic multifamily mortgage insurance programs (title II, secs. 207, 213, 231, and 232):			
Acquisition of real properties.....	1,153	3,435	4,880
Acquisition of defaulted mortgages.....	5,679	11,977	7,447
Acquisition of stock in rental housing corporations.....	10	76	38
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of real properties.....	2,736	14,175	14,335
Acquisition of defaulted mortgages.....	1,085	6,429	8,734
Acquisition of stock in rental housing corporations.....	2	4	11
5. Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Acquisition of real properties.....	485	110	110
Acquisition of defaulted mortgages.....	13,554	46,471	-27
Acquisition of stock in rental housing corporations.....		9	12
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.....	19,241	16,607	14,384
Acquisition of defaulted mortgages.....	24,373	27,036	25,900
Acquisition of stock in rental housing corporations.....	3		
7. Acquisition of furniture and equipment.....	348	200	385
Total capital outlay.....	111,356	219,430	202,173
Total program costs, funded.....	178,933	295,129	288,233

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
8. Relation of costs to obligations: Costs financed from obligations of other years, net (—)	—99		
Total obligations	178,834	295,129	288,238
Financing:			
Amounts becoming available:			
Authorization to expend from corporate debt receipts (permanent indefinite): Net debentures issued	28,412	62,894	52,781
Revenue and receipts:			
Fees and insurance premiums	183,408	210,697	237,662
Interest on U.S. securities	20,105	22,513	25,663
Proceeds from sale of real properties and defaulted mortgages	6,724	7,608	8,744
Recoveries on mortgage notes	9,029	7,887	9,310
Recoveries on defaulted notes	6,935	5,741	5,981
Proceeds from sale of equipment	13		
Stock in rental housing corporations redeemed	17	7	7
Other interest, dividends, and revenue	9,762	9,529	9,820
Net increase or decrease (—) in debentures authorized and in process	9,085	34,430	—23,915
Total amounts becoming available	273,491	361,306	326,053
Unobligated balance brought forward	566,780	661,437	727,614
Total amounts available	840,271	1,022,743	1,053,667
Unobligated balance carried forward	—661,437	—727,614	—765,429
Financing applied to program	178,834	295,129	288,238

The Federal Housing Administration, created by the National Housing Act of 1934, is a noncorporate business-type agency. It was made subject to the Government Corporation Control Act by the Housing Act of 1948. The principal purposes of FHA are to encourage and stabilize the home-mortgage market and to improve home-financing practices along with housing standards and conditions. These purposes are accomplished through the insurance of loans and investments to finance the purchase, production, repair, and improvement of residential structures. As of June 30, 1960, almost \$64 billion of insurance had been written, with more than \$32 billion outstanding.

FHA conducts a wide variety of insurance programs through 11 separate funds established by statute. The largest is the mutual mortgage 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 loans on home repairs and improvements and mortgages on multifamily housing, urban renewal housing, armed services housing, other special-purpose housing and the insurance of equity investments in rental housing.

The mutual mortgage fund differs from the other insurance funds in that mortgagors of record at the time loans are paid off, as authorized by statute, share in the rebate of any premiums paid into the fund but not utilized for expenses or losses. Through June 30, 1960, such participation payments to homeowners have exceeded \$107 million, with more than \$148 million reserved for future payments. The participation payments through June 30, 1960, represent in the aggregate, 13% of the related cumulative insurance premiums paid by mortgagors.

All of the FHA insurance programs produce revenue. This is derived primarily from insurance premiums, ap-

praisal and miscellaneous fees, and interest from Government securities and other investments. Through June 30, 1960, income has totaled \$1.9 billion.

[Dollars in millions]

	1960 actual	1961 estimate	1962 estimate
Initiation:			
Unit applications received	1,735,697	1,867,500	1,010,000
Unit applications examined	747,317	837,500	971,600
Mortgage insurance commitments:			
Units	758,568	802,100	903,000
(Converted agreements to insure units)	(196,998)	(24,900)	
Amount	\$9,570.8	\$10,219.2	\$11,434.7
Mortgage insurance written:			
Units	458,603	474,500	557,600
Amount	\$5,653.1	\$6,165.3	\$7,078.3
Inspection:			
Inspections made (1-4 family)	1,387,458	1,470,000	1,555,000
Average multifamily units under inspection	31,505	49,900	65,000
Unit construction private starts	307,200	336,000	363,500
Improvement loans insured:			
Notes	1,073,821	1,100,000	1,200,000
Amount (net proceeds)	\$1,014.4	\$1,045.0	\$1,140.0
Servicing:			
Program status end of year—outstanding balance of insurance in force:			
Improvement loans	\$1,622.5	\$1,771.7	\$1,995.3
Mortgage insurance	\$30,714.5	\$34,432.5	\$38,868.9
Total	\$32,337.0	\$36,204.2	\$40,864.2
Insurance settlement (notes, mortgages, and properties on hand, end of year):			
Defaulted home improvement loans (title I):			
Number	83,694	87,850	92,585
Amount	\$43.6	\$45.8	\$48.2
Acquired properties and assigned mortgages:			
Number	10,931	14,670	20,592
Units	47,144	58,327	67,844
Amount	\$334.7	\$456.6	\$544.0
Costs and income: Operating costs and capital outlay:			
Operating costs	\$67.6	\$75.7	\$86.1
Capital outlay	\$111.4	\$219.4	\$202.2
Total program costs	\$179.0	\$295.1	\$288.3
Income, recoveries, and increase in net-asset value of security acquired:			
Fee and premium income	\$183.4	\$210.7	\$237.7
Other income	\$29.9	\$32.0	\$35.5
Cash recoveries	\$22.7	\$21.2	\$24.0
Increase in net asset value of acquired security:			
Properties, mortgages, title I notes, and sales contracts	\$51.8	\$122.2	\$101.9
Total	\$287.8	\$386.1	\$399.1
Excess income, recoveries and net asset value over costs	\$108.8	\$91.0	\$110.8

¹ Including nursing-home "beds" totaling 378 in 1960, 7,500 in 1961, and 10,000 in 1962.

Budget program.—The Federal Housing Administration budget for 1962 is designed to carry out the FHA part of the President's housing program. In doing so it will operate at a level adequate to exert a stimulating influence in home financing and foster quality and cost stability in home building and improvements, with emphasis on housing for the elderly, nursing homes, cooperative housing, and prevention of slums. At the same time it must gird itself better to cope with a rising rate of insurance claims and property acquisitions.

FEDERAL HOUSING ADMINISTRATION—Con.

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Summary of individual insurance programs.—Summary statements and estimated workload are provided below for the major insurance programs:

1. *Home modernization and repair insurance program (title I, sec. 2).*—Loans insured under title I, sec. 2, are mainly for the alteration, repair or improvement of residential structures. Authorized financial institutions provide 10 percent coinsurance and are insured for 90% of these loans by FHA. The maximum loan for single units is \$3,500, and the maximum duration is 5 years (except for new nonresidential farm structures, which is 15 years). The average loan during 1960 was over \$900, maturing in 37 months. Workload data are as follows:

	1960 actual	1961 estimate	1962 estimate
Initiation: Loans insured.....	1,073,821	1,100,000	1,200,000
Servicing: Insurance in force, end of year.....	2,426,837	2,943,000	3,316,000
Liquidation—Acquired security or collateral on hand, end of year:			
Defaulted loans.....	83,694	87,850	92,585
Amount (in millions).....	\$43.6	\$45.8	\$48.2

2. *Basic 1- to 4-family mortgage insurance programs (secs. 8, 203, and 222).*—Mortgages are insured on 1- to 4-family homes under section 203, mutual mortgage insurance, and section 222, servicemen's mortgage insurance. No new insurance is being written under section 8 which was repealed by the Housing Act of 1954. Statutory limits for mortgage insurance under section 203 are 97% of the first \$13,500 of appraised value, 90% of the next \$4,500 of value, and 70% of value in excess of \$18,000, up to the maximum mortgage of \$22,500 on single-family homes.

This program has been augmented by the certified agency program which now has been extended to all but four of the insuring offices and brings the advantages of FHA mortgage insurance to communities remote from the insuring offices. Under this variation mortgagees approved by the Federal Housing Commissioner are authorized to process applications under sections 203 and 222, obtaining appraisals and inspections by FHA-approved fee appraisers and inspectors.

Servicemen's mortgage insurance covers mortgages for single-family homes purchased by servicemen who have been in the armed services for a minimum of 2 years. The maximum mortgage insurable is \$20,000, and the maximum loan-value ratio is the same as for section 203 except that the maximum ratio above \$15,390 is a more liberal 95%.

Workload data are as follows:

	1960 actual	1961 estimate	1962 estimate
Initiation:			
Unit applications examined:			
Sec. 203.....	658,121	699,000	821,800
Sec. 222.....	20,860	21,700	21,900
Units insured:			
Sec. 203.....	389,940	374,100	423,200
Sec. 222.....	20,328	7,700	21,700
Inspections:			
Sec. 203.....	1,340,687	1,364,400	1,442,900
Sec. 222.....	8,201	53,100	56,200
Servicing:			
Insurance contracts in force, end of year:			
Sec. 8.....	31,399	29,600	27,700
Sec. 203.....	2,587,358	2,808,977	3,059,277
Sec. 222.....	72,916	78,600	98,100

	1960 actual	1961 estimate	1962 estimate
Real estate acquisitions, maintenance, and sales:			
Properties acquired (units):			
Sec. 8.....	159	100	100
Sec. 203.....	2,786	7,190	10,265
Sec. 222.....	181	350	350
Properties sold (units):			
Sec. 8.....	140	108	120
Sec. 203.....	1,394	3,600	4,000
Sec. 222.....	26	58	200
Properties on hand, end of year (units):			
Sec. 8.....	163	155	135
Sec. 203.....	3,784	7,374	13,639
Sec. 222.....	171	463	613

3. *Basic multifamily mortgage insurance program (secs. 207-210, 213, 231, and 232).*—Mortgages are insured on new or existing multifamily rental housing projects and trailer courts under the basic section 207 program. The maximum loan-value ratio is 90% for rental housing and 75% for trailer courts.

A more liberal loan-value ratio, up to 97%, is provided for mortgage insurance on single, attached, or multifamily projects undertaken by nonprofit cooperative groups under section 213.

Mortgages are insured with liberal terms on new or rehabilitated multifamily housing projects for occupancy by elderly persons under section 231 and on new or rehabilitated nursing homes under section 232. The maximum loan-value ratios under section 231 are 100% for nonprofit mortgagors and 90% for profit-motivated mortgagors and under section 232, 75%.

Workload data are as follows:

	1960 actual	1961 estimate	1962 estimate
Initiation:			
Unit applications examined:			
Sec. 207.....	25,637	45,800	33,400
Sec. 213.....	16,047	22,200	24,300
Sec. 231.....	3,115	4,500	7,500
Sec. 232 ¹	75	4,100	8,700
Units insured:			
Sec. 207.....	10,936	36,400	34,100
Sec. 213.....	6,562	21,700	21,400
Sec. 231.....	1,467	3,500	5,300
Sec. 232 ¹	-----	2,100	6,500
Inspections:			
Sec. 207 (average under construction).....	16,884	23,800	29,400
Sec. 213:			
Homes.....	990	1,400	2,400
Projects (average under construction).....	4,199	10,700	15,000
Sec. 231 (average under construction).....	330	2,300	4,000
Sec. 232 ¹ (average under construction).....	-----	900	4,000
Servicing:			
Insurance contracts in force, end of year:			
Sec. 207-210.....	656	901	1,085
Sec. 213:			
Homes.....	24,150	26,300	30,250
Projects.....	264	632	679
Sec. 231.....	11	45	96
Sec. 232 ¹	-----	28	112
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Secs. 207-210.....	744	1,400	1,400
Sec. 213.....	238	499	200
Properties and mortgages sold (units):			
Secs. 207-210.....	9	185	484
Sec. 213.....	135	120	130
Properties and mortgages on hand, end of year (units):			
Secs. 207-210.....	2,831	4,046	4,962
Sec. 213.....	345	724	794

¹ Workload is in terms of beds rather than units.

4. *Urban renewal, rehabilitation and relocation mortgage insurance program (secs. 220 and 221).*—Section 220 provides mortgage insurance on liberal credit terms for the construction or rehabilitation of single or multifamily housing in approved urban renewal areas.

Section 221 provides mortgage insurance for new or rehabilitated low-cost housing for persons displaced by governmental action in approved areas. This program includes both single and multifamily housing. The maximum loan-value ratio is 100% and the maximum term is 40 years.

Workload data follows:

	1960 actual	1961 estimate	1962 estimate
Initiation:			
Unit applications examined:			
Sec. 220.....	4,072	12,800	24,000
Sec. 221.....	12,150	14,700	16,100
Units insured:			
Sec. 220.....	3,857	7,700	17,900
Sec. 221.....	9,504	11,500	13,100
Inspections:			
Sec. 220:			
Homes.....	1,248	6,000	9,900
Projects (average under construction).....	9,052	10,200	9,900
Sec. 221:			
Homes.....	33,643	36,500	35,200
Projects (average under construction).....	1,040	2,000	2,700
Servicing:			
Insurance contracts in force, end of year:			
Sec. 220:			
Homes.....	1,291	2,041	4,966
Projects.....	84	125	231
Sec. 221:			
Homes.....	16,806	25,550	34,550
Projects.....	19	28	37
Real estate acquisitions, maintenance, and sales:			
Properties acquired (units):			
Sec. 220.....	3	450	475
Sec. 221.....	413	1,460	1,700
Properties sold:			
Sec. 220.....	---	40	250
Sec. 221.....	26	202	400
Properties on hand, end of year (units):			
Sec. 220.....	3	413	638
Sec. 221.....	406	1,664	2,964

5. *Armed services mortgage insurance program (secs. 803 and 809).*—Section 803 provides mortgage insurance for multifamily rental housing at military installations for military and civilian personnel. The maximum mortgage insurable may not exceed the estimated replacement cost, and the Secretary of Defense may be required to guarantee the armed services housing mortgage insurance fund against loss.

Section 809 provides mortgage insurance on one- to four-family homes for civilian personnel at armed services, Atomic Energy Commission, and National Aeronautics and Space Administration installations. While the maximum loan-value ratio is identical to that under section 203b, other considerations are more liberal.

Workload data are as follows:

	1960 actual	1961 estimate	1962 estimate
Initiation:			
Unit applications examined:			
Sec. 803.....	5,683	9,800	12,000
Sec. 809.....	1,557	2,900	1,900
Units insured:			
Sec. 803.....	14,583	8,800	11,800
Sec. 809.....	1,426	1,000	2,600

	1960 actual	1961 estimate	1962 estimate
Initiation—Continued			
Inspections: ¹ Sec. 809.....	2,695	8,600	8,400
Servicing:			
Insurance contracts in force, end of year:			
Sec. 803.....	886	964	1,074
Sec. 809.....	4,443	5,393	7,933
Real estate acquisitions, maintenance, and sales:			
Properties acquired (units):			
Sec. 803.....	2,057	3,208	---
Sec. 809.....	2	10	10
Properties sold (units):			
Sec. 803.....	151	500	480
Sec. 809.....	1	10	10
Properties on hand, end of year (units):			
Sec. 803.....	5,098	7,806	7,326
Sec. 809.....	1	1	1

¹ Inspections under section 803 are provided by the armed services.

6. *Emergency housing mortgage insurance programs.*—After World War II the liberal war housing mortgage insurance provisions of title VI were extended to provide veterans with emergency housing. Insurance authority for one- to four-family homes under this title was terminated by the Housing Act of 1948 and for multifamily housing by the act of 1950.

Title IX provided mortgage insurance for defense housing, covering both one- to four-family and multifamily. Authorization to insure under this title was terminated by the Housing Act of 1954.

Workload data are as follows:

	1960 actual	1961 estimate	1962 estimate
Servicing:			
Insurance contracts in force, end of year:			
Secs. 603-610.....	193,033	175,000	155,000
Sec. 611.....	64	64	64
Secs. 608-610.....	5,630	5,395	5,075
Sec. 903.....	43,019	41,000	38,800
Sec. 908.....	66	65	64
Real estate acquisitions, maintenance, and sales:			
Properties and mortgages acquired (units):			
Secs. 603-610.....	52	55	55
Secs. 608-610.....	5,325	5,936	5,720
Sec. 611.....	---	---	---
Sec. 903.....	1,367	896	672
Sec. 908.....	1	54	80
Properties sold (units):			
Secs. 603-610.....	131	106	115
Secs. 608-610.....	3,219	3,720	3,602
Sec. 611.....	1	---	---
Sec. 903.....	481	1,470	1,456
Sec. 908.....	256	306	263
Properties and mortgages on hand, end of year (units):			
Secs. 603-610.....	558	507	447
Secs. 608-610.....	25,650	27,866	29,984
Sec. 611.....	---	---	---
Sec. 903.....	6,536	5,962	5,178
Sec. 908.....	1,598	1,346	1,163

Summary of operating expense estimates.—FHA operating expenses are paid out of operating income. It is estimated that total operating expense for 1962 will be \$71.2 million, of which \$61.5 million will be nonadministrative and \$9.7 million administrative. The 1961 estimate is \$61.6 million, of which \$52.6 million is non-administrative and \$9 million administrative.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$237 thousand, and \$138 thousand each for 1960, 1961, and 1962.

FEDERAL HOUSING ADMINISTRATION—Con.

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Financing.—Mortgage insurance claims are met by the issuance of debentures that are subsequently redeemed out of operating revenue and proceeds from the sale of acquired properties and mortgages. In 1960 \$87 million of debentures were issued. Debentures to be issued in 1961 are estimated at \$163.8 million, and in 1962, \$200.6 million. Debentures were retired in 1960 in the amount of \$58.6 million. Retirement of debentures in 1961 and 1962, respectively, are estimated at \$100.9 million and \$147.8 million.

Operating results and retained earnings.—Operations in 1960 resulted in a net income of \$122 million. This income was distributed as follows: \$59.5 million to the general surplus account, \$36 million to the participating reserve account of the Mutual Mortgage Insurance Fund, and \$26.5 million to the general insurance reserves under the nonmutual insurance funds.

Net income is expected to be \$105.4 million in 1961 and \$126.8 million in 1962. In the 2-year period it is estimated that income totaling \$115.8 million will be added to the general surplus account, \$68.8 million to the participating reserve account of the mutual mortgage insurance fund, and \$47.6 million to the insurance reserves under other funds.

Insurance reserves totaling \$757.9 million on June 30, 1959, increased to \$866.6 million during 1960 and are expected to reach \$957.1 million during 1961 and \$1,067.9 million during 1962. These reserves are available to meet insurance expenses and losses.

Insurance authority.—The housing repair and improvement insurance authorization, title I, section 2, was extended in unlimited amount through September 1961 by Public Law 86-788, 86th Congress. However, legislation should be enacted to make this authority permanent.

The general mortgage insurance authorization, section 217, applies to all mortgage insurance programs except new insurance written under title VIII. Public Law 1020, 84th Congress, and Public Law 86-372 amended the general mortgage insurance authorization. These amendments provide that the principal obligations of insured mortgages that may be outstanding under all titles, except title VIII, shall not exceed the sum of the principal balances of insured mortgages as of July 1, 1956 (\$18.9 billion), the principal amount of outstanding commitments to insure as of July 1, 1956 (\$3.9 billion), and \$15 billion, for a total of \$37.8 billion.

The present authorization will be sufficient to cover commitments until the Congress convenes in January; however, an additional authorization will be required early during the third quarter of 1961 if the issuance of commitments is not to be interrupted. To ensure continuity in this important program, the authorization ceiling should be removed.

The armed services housing insurance authorization, under title VIII, sections 803 and 809, provides for principal obligations not to exceed \$2.3 billion. This amount will be adequate to carry the program through October 1, 1961, the current expiration date of the program.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Repair and improvement loan insurance:			
Insurance authority.....	1,750,000	(¹)	(¹)
Charges against insurance authority and/or outstanding balance:			
Insurance in force.....	1,566,555	1,715,826	1,939,378
Loan report in process.....	55,895	55,895	55,895
Total charges against authority and/or outstanding balance.....	² 1,622,450	² 1,771,721	² 1,995,273
Unused authority.....	127,550	-----	-----
Mortgage insurance—general authorization:			
Insurance authority.....	37,783,994	37,783,994	37,783,994
Charges against insurance authority:			
Insurance in force.....	29,262,519	32,856,503	37,106,038
Commitments outstanding.....	5,351,007	6,453,330	7,643,682
Total charges against authority.....	34,613,526	39,309,833	44,749,720
Unused authority.....	3,170,468	-----	-----
Additional authority required—proposed legislation.....	-----	1,525,839	6,965,726
Mortgage insurance—armed services housing authorization:			
Insurance authority.....	2,300,000	2,300,000	2,300,000
Charges against insurance authority:			
Aggregate amount of mortgages insured.....	1,511,460	1,666,198	1,890,098
Commitments outstanding.....	236,130	162,822	44,850
Total charges against authority.....	1,747,590	1,829,020	1,934,948
Unused authority.....	552,410	470,980	365,052

¹ Limitation insurance authority removed by Public Law 86-788, approved Sept. 14, 1960.

² Maximum contingent liability, reflecting outstanding balances in insurance reserve accounts, is \$360,389 thousand in 1959, \$399,494 thousand in 1960, \$434,470 thousand in 1961, and \$472,009 thousand in 1962.

Note.—Insurance in force under the general authorization at June 30, 1960, 1961, and 1962 does not include \$71 thousand, \$66 thousand and \$63 thousand, respectively, of outstanding balances on open end advances which are not chargeable against the authorization.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Home modernization and repair insurance program (title I, sec. 2):			
Acquisition of defaulted notes.....	10,790	12,935	13,948
Expense.....	4,711	4,953	5,222
Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Acquisition of real properties.....	31,897	79,966	111,946
Expense.....	41,757	44,078	52,112
Participation in mutual insurance earnings.....	13,219	15,000	16,000

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Con.			
Basic multifamily mortgage insurance programs (title II, secs. 207, 213, 231, and 232):			
Acquisition of real properties and defaulted mortgages.....	6,832	15,412	12,327
Acquisition of stock in rental housing corporations.....	10	76	38
Expense.....	3,657	5,872	6,019
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Acquisition of real properties and defaulted mortgages.....	3,821	20,604	23,069
Acquisition of stock in rental housing corporations.....	2	4	11
Expense.....	1,263	2,036	2,542
Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Acquisition of real properties and defaulted mortgages.....	14,039	46,581	83
Acquisition of stock in rental housing corporations.....		9	12
Expense.....	762	1,107	1,100
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.....	43,614	43,643	40,354
Acquisition of stock in rental housing corporations.....	3		
Expense.....	2,208	2,653	3,070
Acquisition of furniture and equipment.....	348	200	385
Increase in selected working capital.....	3,749		29,703
Total gross expenditures.....	182,682	295,129	317,941
Receipts from operations (funds provided):			
Home modernization and repair insurance program (title I, sec. 2):			
Recoveries on mortgage notes.....	41	41	41
Recoveries on defaulted notes.....	6,935	5,741	5,981
Revenue.....	18,564	19,552	22,317
Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Proceeds from sale of real properties.....	1,841	3,099	3,882
Recoveries on mortgage notes.....	1,417	2,072	2,865
Revenue.....	149,595	169,001	191,644
Basic multifamily mortgage insurance programs (title II, secs. 207, 213, 231, and 232):			
Proceeds from sale of real properties.....	141	293	471
Recoveries on mortgage notes.....	906	312	439
Redemption of stock in rental housing corporations.....	3	1	1
Revenue.....	9,769	16,770	20,430
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Proceeds from sale of real properties.....	17	107	312
Recoveries on mortgage notes.....	1	18	70
Revenue.....	2,677	4,314	6,412
Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Proceeds from sale of real properties.....	70	215	127
Recoveries on mortgage notes.....	8	28	39
Redemption of stock in rental housing corporations.....	2		
Revenue.....	6,221	7,842	8,653
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.....	4,655	3,894	3,952
Recoveries on mortgage notes.....	6,656	5,416	5,856
Redemption of stock in rental housing corporations.....	12	6	6
Revenue.....	26,450	25,260	23,689

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided)—Continued			
Proceeds from sale of equipment.....	13		
Decrease in selected working capital.....		28,356	
Total receipts from operations.....	235,994	292,338	297,187
Budget expenditures.....	-53,312	2,791	20,754
Revenue, Expense, and Retained Earnings (in thousands of dollars)			
Home modernization and repair insurance program (title I, sec. 2):			
Revenue.....	18,564	19,552	22,317
Expense.....	7,261	11,290	12,222
Net operating income.....	11,303	8,262	10,095
Basic 1-4 family mortgage insurance programs (titles I and II, secs. 8, 203, and 222):			
Revenue.....	149,595	169,001	191,644
Expense.....	50,088	74,333	93,472
Net operating income.....	99,507	94,668	98,172
Basic multifamily mortgage insurance programs (title II, secs. 207, 213, 231, and 232):			
Revenue.....	9,768	16,770	20,430
Expense.....	7,002	12,082	10,723
Net operating income.....	2,766	4,688	9,707
Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221):			
Revenue.....	2,677	4,314	6,412
Expense.....	2,175	7,045	8,660
Net operating income or loss (-).....	502	-2,731	-2,248
Armed services mortgage insurance program (title VIII, secs. 803, 809, and 810):			
Revenue.....	6,221	7,842	8,653
Expense.....	5,635	11,415	1,863
Net operating income or loss (-).....	586	-3,573	6,790
Emergency and other special incentive programs (titles VI, VII, and IX, secs. 603, 608, 609, 610, 611, 701, 903, and 908):			
Revenue.....	26,450	25,260	23,689
Expense.....	19,162	21,162	19,398
Net operating income.....	7,288	4,098	4,291
Nonoperating income or loss (-):			
Proceeds from sale of equipment.....	13		
Net book value of assets sold (-).....	-11		
Net nonoperating income for the year.....	2		
Net income for the year.....	121,954	105,412	126,807
Analysis of retained earnings:			
Retained earnings beginning of year.....	757,912	866,647	957,059
Participation payments out of statutory reserve (-).....	-13,219	-15,000	-16,000
Retained earnings, end of year.....	866,647	957,059	1,067,866
Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury:			
Revolving fund accounts.....	55,133	36,322	35,959
Deposit fund accounts.....	1,741	1,741	1,741

FEDERAL HOUSING ADMINISTRATION—Con.

Public enterprise funds—Continued

FEDERAL HOUSING ADMINISTRATION FUND—Continued

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Assets—Continued			
U.S. securities (par).....	666,039	744,953	777,343
Accounts receivable.....	39,294	54,498	68,695
Mortgage notes and sales contracts, net.....	161,463	196,668	240,384
Acquired properties, mortgages, and notes, net.....	219,911	306,880	365,052
Furniture and equipment, net.....	1,811	1,721	1,796
Stock in rental housing corporations.....	460	542	596
Other assets.....	4,222	4,322	4,422
Total assets.....	1,150,074	1,347,647	1,495,988
Liabilities:			
Current liabilities.....	100,632	109,762	118,171
Trust and deposit liabilities for mortgagor accounts.....	4,222	4,322	4,422
Debentures authorized and in process.....	38,106	72,536	48,621
Debentures outstanding.....	138,842	201,736	254,517
Reserve for foreclosure costs.....	1,625	2,232	2,391
Total liabilities.....	283,427	390,588	428,122
Government investment:			
Retained earnings:			
Statutory reserve—participating reserve.....	148,595	168,702	186,371
General surplus—reserves for future expenses and losses.....	718,052	788,357	881,495
Total Government investment.....	866,647	957,059	1,067,866

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash and U.S. securities.....	639,448	721,172	781,275	813,302
Obligated balance, net:				
Current liabilities.....	100,237	100,632	109,762	118,171
Debentures authorized and in process.....	29,021	38,106	72,536	48,621
Unpaid and undelivered orders.....	237	138	138	138
Accounts receivable, net, and deposit fund account (—).....	—27,806	—41,035	—56,239	—70,436
Authorization for debentures authorized and in process (—).....	—29,021	—38,106	—72,536	—48,621
Total obligated balance.....	72,668	59,735	53,661	47,873
Unobligated balance.....	566,780	661,437	727,614	765,429

Note.—Contingent liability for insurance contracts in force (FHA insured notes secured by real estate having a value in excess of these amounts; in millions of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Mortgage insurance programs.....	27,052	30,715	34,433	38,869
Modernization and improvement program (title I, sec. 2).....	360	399	434	472
Total.....	27,412	31,114	34,867	39,341

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 **[\$8,550,000]** \$9,675,000 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 funds shall be available for contract actuarial services (not to exceed \$1,500): *Provided further*, That nonadministrative expenses of all kinds regardless of source classified by section 2 of Public Law 387, approved October 25, 1949, including all appraisal fees regardless of source or method of financing shall not exceed **[\$50,000,000]** \$62,300,000. (*Independent Offices Appropriation Act, 1961.*)

Program and Financing—Administrative Expenses (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Home modernization and repair insurance program (title I, sec. 2).....	1,054	1,166	1,275
2. Basic 1-4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222).....	4,718	5,296	5,502
3. Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231, and 232).....	928	1,035	1,150
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221).....	352	396	443
5. Armed services mortgage insurance program (title VIII).....	221	244	270
6. Emergency and other special incentive programs (titles VI, VII, and IX).....	750	874	1,035
Total program costs.....	8,023	9,011	9,675
7. Relation of costs to obligations:			
Selected resources at end of year: Unpaid undelivered orders.....	23	7	7
Selected resources at start of year: Unpaid undelivered orders.....	—7	—7	—7
Total obligations.....	8,039	9,011	9,675
Financing:			
Unobligated balance lapsing.....	61		
Limitation.....	8,100	8,550	9,675
Proposed increase in limitation due to pay increases.....		461	

Object Classification—Administrative Expenses (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,090	6,903	7,232
Positions other than permanent.....	10	5	5
Other personnel compensation.....	197	150	125
Total personnel compensation.....	6,297	7,058	7,362
12 Personnel benefits.....	403	497	517
21 Travel and transportation of persons.....	263	280	300
22 Transportation of things.....	13	13	14
23 Rent, communications, and utilities.....	713	769	1,025
24 Printing and reproduction.....	82	83	190
25 Other services.....	192	210	183
26 Supplies and materials.....	76	101	84
Total obligations.....	8,039	9,011	9,675

Personnel Summary—Administrative Expenses

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,043	1,066	1,113
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	956	1,005	1,051
Number of employees at end of year.....	971	1,025	1,085
Average GS grade.....	7.4	7.5	7.3
Average GS salary.....	\$6,063	\$6,627	\$6,492

Program and Financing—Nonadministrative Expenses (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Home modernization and repair insurance program (title I, sec. 2).....	3,643	3,808	3,967
2. Basic 1-4 family mortgage insurance program (title I, sec. 8; title II, secs. 203 and 222).....	37,249	38,997	46,852
3. Basic multifamily mortgage insurance program (title II, secs. 207, 213, 231 and 232).....	2,749	4,864	4,892
4. Urban renewal, rehabilitation and relocation mortgage insurance program (title II, secs. 220 and 221).....	918	1,650	2,108
5. Armed services mortgage insurance program (title VIII).....	545	868	834
6. Emergency and other special incentive programs (titles, VI, VII and IX).....	1,471	1,791	2,047
Total operating costs.....	46,575	51,978	60,700
7. Unfunded adjustments to total operating costs:			
Depreciation included above (—).....	-277	-290	-310
Settlement expense charged to real properties.....	675	700	725
Total operating costs, funded.....	46,973	52,388	61,115
Capital outlay.....	260	200	385
Total program costs, funded.....	47,233	52,588	61,500
8. Relation of costs to obligations:			
Selected resources at end of year:			
Unpaid undelivered orders.....	115	115	115
Selected resources at start of year:			
Unpaid undelivered orders.....	-102	-115	-115
Total obligations.....	47,246	52,588	61,500
Payments by mortgagees to certified agencies for inspections and appraisals.....		400	800
Total requirements.....	47,246	52,988	62,300
Financing:			
Unobligated balance lapsing.....	754		
Limitation.....	48,000	50,000	62,300
Proposed increase in limitation due to pay increases.....		2,988	

Object Classification—Nonadministrative Expenses (in thousands of dollars)			
11 Personnel compensation:			
Permanent positions.....	36,479	39,920	44,504
Positions other than permanent.....	118	136	670
Other personnel compensation.....	686	664	743
Total personnel compensation.....	37,283	40,720	45,917
12 Personnel benefits.....	2,483	3,021	3,295
21 Travel and transportation of persons.....	2,867	3,263	3,676
22 Transportation of things.....	112	111	121
23 Rent, communications, and utilities.....	3,087	3,438	3,834
24 Printing and reproduction.....	370	300	417
25 Other services.....	430	435	495
Fee appraisals.....		800	3,000
26 Supplies and materials.....	322	300	360
31 Equipment.....	292	200	385
Total obligations.....	47,246	52,588	61,500
Payments by mortgagees to certified agencies for inspections and appraisals.....		400	800
Total requirements.....	47,246	52,988	62,300

Personnel Summary—Nonadministrative Expenses			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	6,312	6,239	7,269
Full-time equivalent of other positions.....	20	22	121
Average number of all employees.....	6,025	6,052	6,804
Number of employees at end of year.....	5,991	6,161	7,290
Average GS grade.....	7.4	7.5	7.3
Average GS salary.....	\$6,063	\$6,627	\$6,492

Intragovernmental funds:			
ADVANCES AND REIMBURSEMENTS			
Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Housing and Home Finance Agency.....	139	137	137
2. Department of the Interior.....	5	2	2
3. Department of Justice.....	8		
4. Miscellaneous services to other accounts.....	9	21	21
Total obligations.....	161	160	160
Financing:			
Advances and reimbursements from other accounts.....	161	160	160

Object Classification (in thousands of dollars)			
11 Personnel compensation: Permanent positions.....	41	42	42
12 Personnel benefits.....	1	3	3
21 Travel and transportation of persons.....	8	6	6
23 Rent, communications, and utilities.....	108	109	109
26 Supplies and materials.....	3		
Total obligations.....	161	160	160

Personnel Summary			
Average number of all employees.....	7	7	7
Number of employees at end of year.....	7	7	7

PUBLIC HOUSING ADMINISTRATION

Public enterprise funds:

LOW RENT PUBLIC HOUSING PROGRAM

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), **[\$140,000,000]** \$169,300,000. (*Independent Offices Appropriation Act, 1961.*)

ADMINISTRATIVE EXPENSES

For administrative expenses of the Public Housing Administration, **[\$13,050,000]** \$14,150,000, to be expended under the authorization for such expenses contained in title II of this Act. (*Independent Offices Appropriation Act, 1961.*)

PUBLIC HOUSING ADMINISTRATION—Continued**Public enterprise funds—Continued****LOW RENT PUBLIC HOUSING PROGRAM—Continued**

Note.—Expenditures from the following fund for 1961 are subject to the first paragraph of title II of the Independent Offices Appropriation Act, 1961. For 1962 this paragraph is shown in the independent offices chapter, p. 156, following Federal Deposit Insurance Corporation.

LOW RENT PUBLIC HOUSING PROGRAM FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operations:			
1. Development:			
(a) Technical services.....	467	650	650
(b) Administrative expense.....	3,562	4,064	4,092
(c) Other expense.....	6	3	3
2. Management:			
(a) Annual contributions to locally owned projects (grants).....	131,188	140,000	169,300
(b) Operation of federally owned projects.....	511	545	545
(c) Administrative expense.....	5,186	5,833	6,026
(d) Other expense.....	3	1	1
3. Audit (administrative expense).....	1,631	2,036	2,137
4. Administration:			
(a) Administrative expense.....	1,919	1,935	1,895
(b) Other expense.....	18	20	30
5. Interest on borrowings from Treasury.....	1,344	1,400	1,400
Total operations.....	145,835	156,487	186,079
Capital outlay:			
1. Development: Financing:			
Development loan commitments:			
New commitments.....	129,973	316,483	418,539
Refunding direct with guaranteed loans.....	62,028	132,818	144,340
Other assets acquired.....	20		
2. Management:			
(a) Financing: Administrative loans to local housing authorities.....	50	200	200
(b) Operation of federally owned projects: Acquisition of equipment and operating improvements.....	14	43	16
Total capital outlay.....	192,085	449,544	563,095
Total obligations.....	337,920	606,031	749,174
Financing:			
Amounts becoming available:			
Appropriations:			
Annual contributions.....	129,000	140,000	169,300
Administrative expenses.....	12,830	13,050	14,150
Proposed supplemental due to pay increases.....		818	
Revenue and receipts:			
Collection of development loans:			
Direct loans.....	2,656	3,452	2,660
Refunding direct with guaranteed loans.....	62,028	132,818	144,340
Permanent financing.....	63,979	90,000	80,000
Collection of other loans and judgments.....	1,012	171	270
Technical services fees.....	1,184	657	701
Income from federally owned projects.....	605	599	599
Other revenue and receipts.....	3,374	2,921	3,000
Recovery of prior year obligations (expenses and reduction of loan commitment due to permanent financing and other cancellations).....	264,269	253,512	226,897
Total amounts becoming available.....	540,937	637,998	641,917

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	361,275	562,313	594,105
Total amounts available.....	902,212	1,200,311	1,236,022
Return of unexpended appropriations to Treasury (—):			
Annual contributions.....	—812		
Administrative expenses.....	—576		
Capital transfer (payment of earnings to Treasury) (—).....	—591	—175	—160
Unobligated balance carried forward (authorization to expend from public debt receipts).....	—562,313	—594,105	—486,688
Financing applied to program.....	337,920	606,031	749,174

The United States Housing Act of 1937, as amended (42 U.S.C. 1401 et seq.), provides for a low rent public housing program comprising decent, safe, and sanitary dwellings within the financial reach of families of low income. The Public Housing Administration is responsible for administering this program. The Administration makes loans and annual contributions to local housing authorities to assist in financing the construction of low rent housing projects and in maintaining their low rent character after completion and occupancy.

Recent modifications of the United States Housing Act were made by the Housing Act of 1956, which authorized admission of single elderly persons, a first preference in admission for the elderly, and the construction of dwellings designed specifically for the elderly; and the Housing Act of 1959, Public Law 86-372, approved September 23, 1959, which removed specific limitations on income, exemptions, and rents, and substituted more general standards. This act also revised the age requirements for admission to and occupancy of low rent public housing for elderly single persons and families, and provided that the age requirements conform to those applicable for benefits under title II of the Social Security Act, namely, 65 for men, 62 for women, and 50 for disabled persons.

Budget program—Development.—The Housing Act of 1959 authorized the placing of an additional 37,000 housing units under annual contributions contracts. Under this authorization, which became available without a time limitation upon enactment of the act, annual contributions contracts were executed for 3,753 additional units in 1960.

The budget program plans for the execution in 1961 of new annual contributions contracts for the remaining 33,247 units under the existing authorization. The budget estimates for 1962 are based on 35,000 additional units advancing to the construction stage, with 30,000 units to be completed and moving to the management stage, where the workload is cumulative.

The Administration is continuing its efforts to accelerate development activity in order to place the maximum number of projects under construction during 1961 and 1962 and reduce the inventory of projects in the annual contributions contract stage. Program reservations, preliminary loan contracts, and annual contributions contracts which are not progressing are being reviewed con-

tinually by the Administration and when circumstances warrant are being canceled.

The following tables show workload accomplishments and the status of the program by stage:

WORKLOAD ACCOMPLISHMENTS

[Dwelling units]

	1960 actual	1961 estimate	1962 estimate
Program reservations issued.....	14,194	10,000	-----
Preliminary loan contracts executed.....	10,343	15,000	-----
Annual contributions contracts executed....	3,753	33,247	-----
Construction started.....	17,890	35,000	35,000
Made available for occupancy.....	18,463	19,528	30,000

STATUS BY STAGE

[Dwelling units]

Program reservation.....	13,426	3,050	3,050
Preliminary loan contract.....	28,246	4,870	4,870
Annual contributions contract.....	85,903	84,150	49,150
Construction.....	28,757	44,229	49,229
Occupancy.....	472,957	491,902	521,902

Management.—The following table summarizes the annual contributions required to ensure the low rent character of locally owned projects assisted by this program:

	1960 actual	1961 estimate	1962 estimate
Number of units.....	425,850	470,433	501,140

[In thousands of dollars]

Fixed annual contributions.....	147,523	167,940	186,916
Deduct amounts available to reduce fixed annual contributions:			
Accrued interest.....	1,461	3,182	3,101
Capitalized interest.....	1,145	1,184	3,397
Residual receipts, end of initial operating period.....	699	153	302
Residual receipts, current period.....	13,031	11,760	10,858
Total amount available to reduce annual contributions.....	16,335	16,279	17,650
Annual contributions requirements.....	131,188	151,661	169,256
Rounded.....		151,700	169,300

Increased annual contributions requirements in 1961 and 1962, including an additional appropriation of \$11,700 thousand anticipated in 1961 (reflected above), are largely the result of an increased number of units eligible for annual contributions resulting from the completion and permanent financing of new projects. The Public Housing Administration may make payments up to \$336 million per annum. The maximum amount of annual contributions which the Administration will be committed to pay on the basis of contracts executed or authorized is estimated at \$257.7 million, leaving \$78.3 million of uncommitted authority to pay annual contributions. This represents approximately 115,000 additional units that could be authorized within this limitation.

Administrative expenses.—Administrative expenses for the low rent public housing program are financed by appropriation. These expenses amounted to \$12,298 thousand in 1960. For 1961 the amount of \$13,050 thousand was appropriated and an additional \$818 thousand is anticipated to cover the costs of the Federal Employees Salary Increase Act of 1960, making a total of \$13,868 thousand available. The estimate for 1962 is \$14,150 thousand.

These expenses involve primarily assistance to local housing authorities in (a) the development of projects, by rendering advice in project planning, land acquisition, and other phases of development; and (b) in the management

stage, by management review of projects and budget estimates, consulting engineering service, and other management services. These expenses also involve audits of all local housing authorities.

The increasing number of dwelling units entering the management stage during 1961 and 1962 is the principal reason for the rise in administrative expenses. Increased employment is required for 1962 to permit adequate review of local housing authority management operations to ensure that the objectives of relevant Federal legislation are being achieved and that the Federal Government's financial interest in the program is adequately protected.

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 requirements for appropriated funds. The Congress, in order to maintain control over the use of these receipts, has established a nonadministrative expense limitation. The limitation applies to two activities: (a) Expenses incurred in the operation and maintenance of federally owned, directly operated projects; and (b) expenses incurred for technical services provided by the Public Housing Administration during construction.

As of June 30, 1960, only 3 *federally owned, directly operated projects*, containing 1,182 units, remained. These projects have not been sold 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 1961 and 1962 are based upon the continued operation of these projects by the Administration.

Technical services are provided during the development stage by having representatives of the Administration visit the sites of low rent public housing projects under construction to ensure that projects will be built in accordance with specified and acceptable standards. The local housing authorities pay 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. The estimated cost for 1962 is based upon the number of projects in the construction stage.

Capital outlay—Development financing.—The Public Housing Administration is authorized to borrow from the Treasury to finance the development of low rent public housing. These borrowings and certain available working capital funds are used to make loans to local housing authorities. In accordance with the provisions of the annual contributions contract, the Administration makes a loan commitment to finance the initial development costs of the project. The commitment is gradually increased during the development period as progress warrants. The maximum loan commitment by the Administration cannot exceed 90% of the development costs.

During 1961 and 1962, new loan commitments will reflect additional annual contributions contracts and an increase in the number of units under construction. The dollar volume of new loan commitments is estimated to increase from \$130 million in 1960 to \$316 million in 1961, and will increase to \$419 million in 1962.

The Public Housing Administration makes direct short-term development loans to assist local housing authorities in financing the initial planning and the early stages of construction of a low rent housing project. When loans to local housing authorities are of sufficient amount to be

PUBLIC HOUSING ADMINISTRATION—Continued**Public enterprise funds—Continued****LOW RENT PUBLIC HOUSING PROGRAM—Continued****LOW RENT PUBLIC HOUSING PROGRAM FUND—continued**

attractive to private investors, 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 secured by the Administration through a pledge by the local housing authority of the Administration's loan commitment. This arrangement has established an excellent security rating for these notes, which sold at an average interest rate of 2.54% in 1960. In that year direct loans were refunded through loans by private investors, secured by the Public Housing Administration, in the amount of \$62 million. Refunding of the Public Housing Administration loans with private loans is estimated at \$133 million in 1961 and \$144 million in 1962. 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 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 1960 and estimated transactions during 1961 and 1962 (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Loans and investments made by Public Housing Administration to local housing authorities:			
Balance at beginning of year.....	89	92	93
Acquisitions during the year.....	136	227	228
Repayments during the year.....	133	226	227
Balance at end of year.....	92	93	94
Loans by private investors to local housing authorities—secured by Public Housing Administration:			
Balance at beginning of year.....	830	703	682
Acquisitions during the year.....	1,361	1,570	1,691
Repayments during the year.....	1,488	1,591	1,573
Balance at end of year.....	703	682	800

All short-term financing, both direct and federally secured, is retired when the local housing authority permanently finances the project. Refunding operations affect only the distribution between direct and secured loans and not the total outstanding.

The local housing authority obtains permanent financing principally through the sale of long-term bonds to the public. These are usually 40-year serial bonds and are secured by the Federal Government's pledge to pay annual contributions. During 1960, long-term bonds in the aggregate amount of \$337 million were sold at interest rates ranging from 3¼% to 3¾%. During 1960, permanent financing totaled \$373 million. This included the sale of local housing authority bonds and series A notes, and also permanent notes taken by the Administration. New permanent financing is estimated at \$366 million during 1961 and \$324 million during 1962.

Financing.—The Administration is authorized to have \$1,500 million of outstanding Treasury borrowings at any one time. These borrowings amounted to \$29 million on June 30, 1960. It is anticipated that this level will be \$32 million on June 30, 1961, and 1962.

Operating results.—Operating income is not intended to be sufficient to cover all program expense. Net losses, in the budget year, are approximately equal to the appropriations for administrative expenses and annual contributions payments.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Development:			
Financing:			
Acquisition of loans: Development loans to local housing authorities.....	131,816	227,000	228,000
Other assets acquired.....	20		
Expense:			
Financing.....	1,313	1,365	1,365
Technical services.....	467	650	650
Administrative expense.....	3,553	4,064	4,092
Management:			
Annual contributions to locally owned projects (grants).....	131,188	140,000	169,300
Financing:			
Acquisition of loans: Administrative loans to local housing authorities.....	50	200	200
Operation of federally owned projects:			
Acquisition of property.....	14	43	16
Expense.....	549	578	582
Administrative: Expense.....	5,173	5,833	6,026
Audit: Administrative expense.....	1,641	2,036	2,137
Administration: Expense.....	1,919	1,955	1,925
Reimbursable expense.....	100	81	77
Total gross expenditures.....	277,803	383,805	414,370
Receipts from operations (funds provided):			
Development:			
Financing:			
Loans repaid:			
Development loans.....	128,663	226,270	227,000
Other loans and judgments.....	85	4	4
Revenue.....	2,675	2,668	2,709
Technical services: Revenue.....	1,184	657	701
Management:			
Financing:			
Loans repaid.....	927	167	266
Revenue.....	90	57	54
Operation of federally owned projects:			
Cash proceeds from sale of property.....	32	2	
Revenue.....	605	599	599
Residual receipts from projects conveyed under conditional conveyance contract.....	565	189	232
Other receipts.....	12	5	5
Reimbursements of expense.....	100	81	77
Decrease in selected working capital.....	2,940	3,639	9,106
Total receipts from operations.....	137,878	234,338	240,753
Budget expenditures.....	139,925	149,467	173,617

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Development:			
Revenue:			
Financing:			
Funded.....	2,675	2,668	2,709
Unfunded.....	9		
Technical services.....	1,184	657	701
Total revenue.....	3,868	3,325	3,410
Expense:			
Financing.....	821	1,368	1,368
Technical services.....	467	650	650
Administrative.....	3,553	4,064	4,092
Total expense.....	4,841	6,082	6,110
Net operating loss (-), development.....	-973	-2,757	-2,700

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Management:			
Revenue:			
Financing.....	90	57	54
Operation of federally owned projects:			
Proceeds from sale of property:			
Cash.....	32	2	
Noncash.....	14		
Revenue.....	605	599	599
Residual receipts from projects conveyed under conditional conveyance contract.....	565	189	232
Other receipts:			
Funded.....	12	5	5
Unfunded.....	54	9	9
Total revenue.....	1,372	861	899
Expense:			
Annual contributions to locally owned projects (grants).....	131,188	140,000	169,300
Financing.....	56	10	10
Operation of federally owned projects:			
Net book value of property sold and writeoffs.....	86	2	
Operating and disposition expense.....	682	713	717
Administrative expenses.....	5,173	5,833	6,026
Total expense.....	137,185	146,558	176,053
Net operating loss (-), management.....	-135,813	-145,697	-175,154
Audit: Administrative expense.....	-1,641	-2,036	-2,137
Administration: Expense.....	-1,919	-1,955	-1,925
Other unfunded revenue.....	27		
Net loss (-) for the year.....	-140,319	-152,445	-181,916
Analysis of deficit (-):			
Deficit (-), beginning of year:			
Reserve for project operations.....	15	20	21
Reserve for technical services operations.....	2,738	399	407
Unreserved (-).....	-885,095	-1,023,671	-1,176,300
Capital transfer (payment of earnings to Treasury) (-).....	-591	-175	-160
Deficit (-), end of year.....	-1,023,252	-1,175,872	-1,357,948
Analysis of deficit (-), end of year:			
Reserve for project operations.....	20	21	22
Reserve for technical services operations.....	399	407	458
Unreserved (-).....	-1,023,671	-1,176,300	-1,358,428

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	44,005	51,231	60,904
Accounts receivable, net.....	1,947	1,230	1,244
Advances.....	55	55	55
Supplies and deferred charges.....	108	111	109
Loans receivable, net.....	92,067	92,826	93,756
Land, structures, and equipment, net.....	4,743	4,648	4,529
Total assets.....	142,925	150,101	160,597
Liabilities:			
Current.....	48,197	51,125	60,247
Government investment:			
Interest-bearing capital:			
Start of year.....	27,000	29,000	32,000
Borrowings from Treasury during year, net.....	2,000	3,000	
End of year.....	29,000	32,000	32,000

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment—Continued			
Non-interest-bearing capital:			
Start of year.....	948,528	1,088,980	1,242,848
Appropriations during year.....	141,830	153,050	183,450
Proposed supplemental due to pay increases.....		818	
Return of unexpended appropriations to Treasury (-).....	-1,388		
Assets declared excess or transferred to and from other Government agencies, net.....	10		
End of year.....	1,088,980	1,242,848	1,426,298
Deficit (-).....	-1,023,252	-1,175,872	-1,357,948
Total Government investment.....	94,728	98,976	100,350

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	42,078	44,005	51,231	60,904
Budget authorization.....	1,473,000	1,471,000	1,468,000	1,468,000
Total unexpended balance.....	1,515,078	1,515,005	1,519,231	1,528,904
Obligated balance, net:				
Current liabilities:				
Undisbursed loan obligations:				
Federally guaranteed private loans.....	830,148	702,768	681,557	799,539
Other undisbursed loan commitments.....	280,319	203,660	193,660	183,660
Unpaid undelivered orders.....	37	14	14	14
Accounts receivable, net (-).....	-1,165	-1,947	-1,230	-1,244
Total obligated balance.....	1,153,803	952,692	925,126	1,042,216
Unobligated balance.....	361,275	562,313	594,105	486,688

Note.—The above statements do not reflect contingent unfunded liability for commitments under annual contributions contracts covering local housing authorities' bonds and other long term obligations held by private investors as follows: 1959, \$2,480 million; 1960, \$2,784 million; 1961, \$3,046 million; 1962, \$3,297 million.

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 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 [;]. 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 expenses of the Public Housing Administration not specifically limited in this Act, in carrying out its duties imposed by law, shall not exceed \$1,200,000. (Independent Offices Appropriation Act, 1961.)

PUBLIC HOUSING ADMINISTRATION—Continued

Public enterprise funds—Continued

LIMITATION ON ADMINISTRATIVE AND NONADMINISTRATIVE EXPENSES, PUBLIC HOUSING ADMINISTRATION—Continued

Program and Financing—Administrative Expenses (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Development.....	3,553	4,064	4,092
2. Management.....	5,173	5,833	6,026
3. Audit.....	1,641	2,036	2,137
4. Administration.....	1,912	1,935	1,895
Total program costs.....	12,279	13,868	14,150
5. Relation of costs to obligations:			
Selected resources at end of year:			
Accounts receivable.....	3	3	3
Inventories—supplies and stamps.....	70	70	70
Unpaid undelivered orders.....	12	12	12
Selected resources at start of year (—):			
Accounts receivable.....	—4	—3	—3
Inventories—supplies and stamps.....	—70	—70	—70
Unpaid undelivered orders.....	—35	—12	—12
Adjustment of selected resources at start of year.....	44		
Total obligations.....	12,298	13,868	14,150
Financing:			
Unobligated balance lapsing.....	532		
Limitation.....	12,830	13,050	14,150
Proposed increase in limitation due to pay increases.....		818	

Object Classification—Administrative Expenses (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	9,322	10,681	10,953
Positions other than permanent.....	1	1	1
Other personnel compensation.....	105	43	2
Total personnel compensation.....	9,428	10,725	10,956
12 Personnel benefits.....	676	835	853
21 Travel and transportation of persons.....	790	900	980
22 Transportation of things.....	17	23	20
23 Rent, communications, and utilities.....	248	272	272
Space rental and maintenance.....	714	759	759
24 Printing and reproduction.....	36	45	45
25 Other services.....	54	43	43
Services of other agencies.....	57	45	45
General Accounting Office audit.....	66	80	80
26 Supplies and materials.....	96	85	85
31 Equipment.....	97	56	12
Total program costs.....	12,279	13,868	14,150
Obligations incurred for costs of other years, net.....	19		
Total obligations.....	12,298	13,868	14,150

Personnel Summary—Administrative Expenses

Total number of permanent positions.....	1,406	1,472	1,460
Average number of all employees.....	1,333	1,406	1,430
Number of employees at end of year.....	1,400	1,405	1,425
Average GS grade.....	8.4	8.4	8.5
Average GS salary.....	\$6,941	\$7,565	\$7,658

Program and Financing—Nonadministrative Expenses (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operation and maintenance of federally owned directly operated projects.....	516	550	550
2. Public Housing Administration representation during construction of projects.....	478	650	650
Total program costs—obligations.....	994	1,200	1,200
3. Relation of costs to obligations:			
Selected resources at end of year:			
Inventories—supplies.....	29	29	29
Deferred charges—insurance.....	9	9	9
Unpaid undelivered orders.....	2	2	2
Selected resources at start of year (—):			
Inventories—supplies.....	—31	—29	—29
Deferred charges—insurance.....	—10	—9	—9
Unpaid undelivered orders.....	—1	—2	—2
Adjustment of selected resources at start of year.....	2		
Total obligations.....	994	1,200	1,200
Financing:			
Unobligated balance lapsing.....	506		
Limitation.....	1,500	1,200	1,200

Object Classification—Nonadministrative Expenses (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	552	675	678
Positions other than permanent.....	3		
Other personnel compensation.....	8	7	4
Total personnel compensation.....	563	682	682
12 Personnel benefits.....	40	57	57
21 Travel and transportation of persons.....	109	165	165
22 Transportation of things.....	2	3	3
23 Rent, communications, and utilities.....	179	185	185
25 Other services.....	32	35	35
26 Supplies and materials.....	26	30	30
31 Equipment.....	9	9	8
41 Grants, subsidies, and contributions.....	33	35	35
Total program costs—obligations.....	994	1,200	1,200

Personnel Summary—Nonadministrative Expenses

Total number of permanent positions.....	90	98	98
Full-time equivalent of other positions.....	1		
Average number of all employees.....	81	89	89
Number of employees at end of year.....	80	94	84
Average GS grade.....	10.6	10.8	10.8
Average GS salary.....	\$8,383	\$9,172	\$9,244

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Audits of urban renewal projects (Office of the Administrator).....	45	50	50
2. Labor relations services (Office of the Administrator).....	10	12	12
3. Printshop services (Office of the Administrator).....	1	10	10

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Services for civil defense purposes (Office of the Administrator).....	30		
5. Provision of health room facilities: International Cooperation Administration.....	2	3	
National Labor Relations Board.....		1	
6. Miscellaneous services: Office of the Administrator.....	5	5	5
Department of State.....	1		
7. Proceeds from sale of administrative property.....	5		
Total program costs.....	100	81	77
8. Relation of costs to obligations: Costs financed from obligations of other years, net (prior year adjustment for sale of personal property) (—).....	—5		
Total obligations.....	95	81	77
Financing:			
Advances and reimbursements from—			
Other accounts.....	94	81	77
Non-Federal sources.....	5		
Recovery of prior year obligations.....	—5		
Financing applied to program.....	95	81	77

Note.—Reimbursement from non-Federal sources are derived from proceeds from sale of personal property being replaced (40 U.S.C. 481(c)).

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	70	58	55
Other personnel compensation.....	2		
Total personnel compensation.....	71	59	55
12 Personnel benefits.....	5	4	3
21 Travel and transportation of persons.....	12	13	13
23 Rent, communications, and utilities.....	2	2	2
24 Printing and reproduction.....	1		

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
25 Other services.....	3	3	3
31 Equipment.....	5		
Total costs.....	100	81	77
Costs financed from obligations of other years, net (—).....	—5		
Total obligations.....	95	81	77

Personnel Summary			
Total number of permanent positions.....	10	9	9
Average number of all employees.....	10	9	8
Number of employees at end of year.....	10	9	9
Average GS grade.....	10.2	9.9	9.9
Average GS salary.....	\$6,968	\$7,084	\$7,243

Proposed for later transmission:

LOW RENT PUBLIC HOUSING PROGRAM

ANNUAL CONTRIBUTIONS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Annual contributions (total obligations).....		11,700	
Financing:			
New obligational authority (proposed supplemental appropriation).....		11,700	

Under existing legislation, 1961.—A supplemental appropriation for 1961 is anticipated to meet contractual obligations for payment of annual contributions on low rent public housing projects.

DEPARTMENT OF AGRICULTURE
BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
AGRICULTURAL RESEARCH SERVICE									
Current authorizations:									
Salaries and expenses.....	355	138,848	144,125	6,745	158,466	} 132,347	147,847	154,632	137,112
Reappropriation.....	355	1,000	1,000						
Salaries and expenses (special foreign currency program).....	355	18,193	15,131		5,265		3,000	6,000	1,000
Construction of facilities.....	355		7,750		550		1,350	5,755	55
State experiment stations.....	355	31,804	32,803		34,803	31,737	32,750	34,778	34,664
Diseases of animals and poultry.....	355					121	14		
Animal disease laboratory facilities.....	355					8,108	4,200	123	
Research facilities.....	355					115	15		
Research on strategic and critical agricultural materials.....	355						1		
Permanent authorizations:									
Alterations and improvements, animal quarantine station, Clifton, N.J. (indefinite special fund).....	355	30					15	15	
Intragovernmental funds:									
Working capital fund, Agricultural Research Center.....	355					-55	7	-6	
Advances and reimbursements.....	355						1		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Salaries and expenses.....	355			650			620	30	
Total, Agricultural Research Service.....		189,875	200,809	7,395	199,084	172,388	189,820	201,312	172,831
EXTENSION SERVICE									
Current authorizations:									
Cooperative extension work, payments and expenses.....	355	64,123	67,431	41	70,040	63,721	67,564	70,050	68,598
FARMER COOPERATIVE SERVICE									
Current authorizations:									
Salaries and expenses.....	355	616	620	37	657	597	652	657	595
Intragovernmental funds:									
Advances and reimbursements.....	355					-21	-3		
Total, Farmer Cooperative Service.....		616	620	37	657	576	649	657	595
SOIL CONSERVATION SERVICE									
Current authorizations:									
Conservation operations.....	354	82,322	83,132	5,472	89,725	} 79,308	87,392	89,175	82,175
Reappropriation.....	354		600						
Watershed protection.....	354	22,750	36,800		46,287	27,019	35,127	45,012	19,025
Flood prevention.....	354	18,000	19,570		19,463	16,809	18,262	20,000	9,876
Great Plains conservation program.....	354	10,000	10,000	168	10,168	7,871	9,786	8,428	3,000
Water conservation and utilization projects.....	354	75				58	3	2	
Total, Soil Conservation Service.....		133,147	150,102	5,640	165,643	131,065	150,570	162,617	114,076
AGRICULTURAL CONSERVATION PROGRAM SERVICE									
Current authorizations:									
Agricultural conservation program.....	354	241,500	242,000		238,000	236,069	238,000	240,000	213,000
Emergency conservation program: Reappropriation.....	354	202				897	2,000	2,000	
Total, Agricultural Conservation Program Service.....		241,702	242,000		238,000	236,966	240,000	242,000	213,000
AGRICULTURAL MARKETING SERVICE									
Current authorizations:									
Marketing research and service.....	355	41,417	44,445	2,776	48,380	38,353	47,133	48,372	44,078
Payments to States and possessions.....	355	1,195	1,195		1,195	1,195	1,195	1,195	1,195
School lunch program.....	217	110,000	110,000		110,000	} 152,832	155,100	155,000	154,500
Permanent authorizations:									
School lunch program.....	217	43,657	45,000		45,000				
Perishable Agricultural Commodities Act fund (indefinite special fund).....	355	679	670		670	710	788	829	552
Removal of surplus agricultural commodities (indefinite).....	351	200,302	267,001	-178	284,383	89,663	100,000	110,000	

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
AGRICULTURAL MARKETING SERVICE—Continued									
Intragovernmental funds:									
Advances and reimbursements.....	355					19	50		
Proposed for later transmission (other than pay increase supplements):									
Under proposed legislation: Special milk program.....	217			95,000				94,500	94,500
Total, Agricultural Marketing Service.....		397,250	468,311	2,598	584,628	282,772	304,266	409,896	294,825
FOREIGN AGRICULTURAL SERVICE									
Current authorizations:									
Salaries and expenses.....	355	3,518	4,624	232	13,686	6,299	6,909	10,657	9,506
Salaries and expenses (special foreign currency program).....	355	11,553	14,621		3,444		10,000	10,874	1,274
Permanent authorizations:									
Salaries and expenses (indefinite).....	355	2,493	2,639	178	3,117				
Total, Foreign Agricultural Service.....		17,564	21,884	410	20,247	6,299	16,909	21,531	10,780
COMMODITY EXCHANGE AUTHORITY									
Current authorizations:									
Salaries and expenses.....	355	910	940	50	1,007	879	988	1,005	946
COMMODITY STABILIZATION SERVICE									
Current authorizations:									
Acreage allotments and marketing quotas.....	351	40,535	40,135	3,463	44,833	40,486	43,653	44,833	44,802
Sugar Act program.....	351	71,500	74,500		181,314	73,962	74,401	84,844	75,973
Conservation reserve program.....	354	335,000	330,000		330,000	323,786	353,729	357,137	327,875
Reappropriation.....	354		21,825						
Acreage reserve program.....	351					-128			
Intragovernmental funds:									
Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938.....	355					-1,011			
Local administration, sec. 388, Agricultural Adjustment Act of 1938.....	355					495			
Proposed for later transmission (other than pay increase supplements):									
Under proposed legislation: Conservation reserve program.....	354				19,381			19,381	19,381
Total, Commodity Stabilization Service.....		447,035	466,460	3,463	475,528	437,588	471,783	506,195	468,031
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	2,043,693	1,151,832		936,429	1,480,238	1,423,000	1,536,607	
Limitation on administrative expenses.....		(41,782)	(45,026)		(44,956)				
Special milk program:									
Restoration of capital impairment (1958, 1959, and 1960 costs) (current appropriation).....	217	66,731	74,668		81,181	81,181	90,000		
Limitation on administrative expenses.....		(618)	(700)						
Reimbursement to Commodity Credit Corporation for costs of special milk program (1961 program costs) (current appropriation).....	217				90,000				
Total, price support, supply, and related programs and special milk.....		2,110,424	1,226,500		1,107,610	1,561,419	1,513,000	1,536,607	

† Includes \$69,314 thousand to carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
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	63,875	32,572	88,790	66,302	71,530	70,681	2,409,457	
Reappropriation.....	351		16,470						
Emergency famine relief to friendly peoples.....	152	104,508	107,094	255,685	95,500	275,185	140,868		
Reappropriation.....	152		7,906						
Sales of surplus agricultural commodities for foreign currencies.....	351	968,016	881,000	1,353,000	1,231,987	1,275,063	1,294,002		
Long-term supply contracts.....	351								
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed.....	351	35	18	13	13	35	35		
Reappropriation.....	351		17						
Transfer of bartered materials to supplemental stockpile.....	351	129,000	422,950	163,163	192,444	207,941	174,800		
Animal disease eradication activities.....	355	1,057							-28
Reappropriation.....	355		20						
Grading and classing activities.....	355	1,607		1,264	852	1,411	2,813		
Reappropriation.....	355		998						
National Wool Act (permanent indefinite appropriation).....	351	50,050	67,190	59,000	92,654	61,833	66,070		
Loans to Secretary of Agriculture for conservation purposes.....	354							-300	-3,700	-8,000
Military housing (Public Law 84-161 (5 U.S.C. 171z-1)).....	351				5,888	-2,009	-1,700		
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.....	351							204	-118
Soil bank program—acreage reserve certificates (liquidation).....	351				324	12			
Total, special activities financed by Commodity Credit Corporation.....		1,318,148	1,536,236	1,920,915	1,685,840	1,897,283	1,748,869		
Total, Commodity Credit Corporation (fund).....		3,428,572	2,762,736	3,028,525	3,247,259	3,410,283	3,285,476	2,409,457	
FEDERAL CROP INSURANCE CORPORATION									
Current authorizations:									
Operating and administrative expenses.....	351	6,377	6,376	185	6,561	6,364	5,321	6,465	3,740
Public enterprise funds:									
Federal Crop Insurance Corporation fund.....	351				-2,363	-6,728	-20	2,830	
Limitation on administrative expenses.....		(2,330)	(2,630)	(2,830)					
Total, Federal Crop Insurance Corporation.....		6,377	6,376	185	6,561	4,001	-1,407	6,445	6,570
RURAL ELECTRIFICATION ADMINISTRATION									
Current authorizations:									
Loan authorizations (authorization to expend from debt receipts).....	353	265,000	310,000	245,000	321,005	318,000	330,000	30,000	
Salaries and expenses.....	353	9,632	9,632	392	10,024	9,863	10,024	9,930	
Total, Rural Electrification Administration.....		274,632	319,632	392	255,024	327,863	340,024	39,930	
FARMERS HOME ADMINISTRATION									
Current authorizations:									
Loan authorizations (authorization to expend from debt receipts):									
Farm ownership, farm operating, and soil and water conservation.....	352	226,000	267,000	183,000	229,138	230,890	185,110	181,900	
Farm housing.....	517				43,250	39,947	1,900		
Salaries and expenses.....	352	30,745	31,050	1,967	33,317	30,561	33,213	31,300	
Public enterprise funds:									
Disaster loans, etc., revolving fund.....	352				-17,785	-1,568	3,876		
Farm tenant-mortgage insurance fund (indefinite permanent authorization to expend from debt receipts).....	352	6,245	1,082	8,325	6,815	1,237	8,435	8,325	
Total, Farmers Home Administration.....		262,990	299,132	1,967	224,642	291,979	232,534	221,525	
OFFICE OF THE GENERAL COUNSEL									
Current authorizations:									
Salaries and expenses.....	355	3,162	3,358	192	3,650	3,126	3,533	3,630	3,420

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses.....	355	2,881	2,900	180	3,107	2,802	3,123	3,109	2,960
Intragovernmental funds:									
Working capital fund, Department of Agriculture.....	355					-40	12	12	
Total, Office of the Secretary.....		2,881	2,900	180	3,107	2,762	3,135	3,121	2,960
OFFICE OF INFORMATION									
Current authorizations:									
Salaries and expenses.....	355	1,432	1,488	60	1,610	1,375	1,578	1,595	1,250
Intragovernmental funds:									
Advances and reimbursements.....	355					-50	5	5	
Total, Office of Information.....		1,432	1,488	60	1,610	1,325	1,583	1,600	1,250
CENTENNIAL OBSERVANCE OF AGRICULTURE									
Current authorizations:									
Salaries and expenses.....	355				130			78	78
LIBRARY									
Current authorizations:									
Salaries and expenses.....	355	900	895	56	1,057	884	946	1,040	983
Intragovernmental funds:									
Advances and reimbursements.....	355					-10	-2	-2	
Total, Library.....		900	895	56	1,057	874	944	1,038	983
FOREST SERVICE									
Current authorizations:									
Forest protection and utilization.....	402	129,120	123,076	5,100	139,804	130,202	126,937	136,854	123,679
Cooperative range improvements (special fund).....	402	700	700		700				
Forest roads and trails:									
Contract authorization.....	402		35,000			27,824	32,412	35,000	
Appropriation to liquidate contract authorization.....	402	(28,000)	(30,000)		(35,000)				
Access roads.....	402	1,000	1,000		1,000		2,000	1,000	1,000
Acquisition of lands for national forests:									
Superior National Forest.....	402		750		250	127	550	300	150
Special acts (indefinite special fund).....	402	10	10		10	4	10	10	3
Cache National Forest.....	402	50				15	50	50	
Assistance to States for tree planting.....	402					20	6		
Permanent authorizations:									
Forest roads and trails: Contract authorization.....	402	30,000			40,000				
Expenses, brush disposal (indefinite special fund).....	402	7,222	7,500		7,500	4,954	6,500	6,900	6,100
Roads and trails for States, national forests fund (indefinite special fund).....	402	11,870	14,170		11,370	11,870	14,170	11,370	11,370
Miscellaneous permanent appropriations:									
Forest-fire prevention (indefinite special fund).....	402	14	20		20	11	20	20	18
Restoration of forest lands and improvements (indefinite special fund).....	402	6	100		100	7	70	90	60
Payments to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund (indefinite special fund).....	402	121	123		123	121	123	123	123
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund).....	402	453	425		425	453	425	425	425
Payments to school funds, Arizona and New Mexico, act of June 20, 1910 (receipt limitation) (indefinite).....	402	114	140		140	114	140	140	140
Payments to States and Territories from the national forests fund (indefinite special fund).....	402	29,669	35,400		28,400	29,669	35,400	28,400	28,400
Construction of warehouse and related facilities, Salt Lake City, Utah (indefinite special fund).....	402	25					25		
Intragovernmental funds:									
Working capital fund, Forest Service.....	402					-498	-100		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Forest protection and utilization.....	402			31,500			28,223	3,277	
Acquisition of lands, Klamath Indians.....	402			68,717				68,717	
Total, Forest Service.....		210,374	218,414	105,317	229,842	204,893	246,961	292,676	171,468
Total new obligational authority and budget expenditures.....		5,683,542	5,233,488	127,983	5,508,982	5,418,895	5,738,943	5,781,885	4,201,323

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES								
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate					
			Enacted	Proposed for later transmission				Total	From new obligational authority				
RECAPITULATION													
Enacted or recommended in this document:													
Current authorizations:													
Appropriations.....		4,808,390	4,131,191	4,478,028	5,418,895	5,684,456	5,594,508	4,087,442					
Appropriations to liquidate contract authorization.....		(28,000)	(30,000)	(35,000)									
Authorizations to expend from debt receipts.....		491,000	577,000	428,000									
Contract authorizations.....			35,000										
Reappropriations.....		1,202	48,837										
Permanent authorizations:													
Appropriations.....		346,705	440,378	440,248									
Authorizations to expend from debt receipts.....		6,245	1,082	8,325									
Contract authorizations.....		30,000		40,000									
Proposed for later transmission:													
Pay increase supplemental appropriations.....			27,116		25,644	1,472							
Other: Appropriations.....			100,867	114,381	28,843	185,905	113,881						
Total new obligational authority and budget expenditures.....		5,683,542	5,361,471	5,508,982	5,418,895	5,738,943	5,781,885	4,201,323					

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
COMMODITY CREDIT CORPORATION (FUND)										
Price support, supply, and related programs.....	351	4,018,300	3,892,729	2,830,048	2,538,062	2,469,729	1,293,441	1,480,238	1,423,000	1,536,607
Special milk program.....	217	82,210			1,029			81,181		
Reimbursement to Commodity Credit Corporation for costs of special milk program.....	217		90,000						90,000	
Total, price support, supply, and related programs and special milk.....		4,100,510	3,982,729	2,830,048	2,539,091	2,469,729	1,293,441	1,561,419	1,513,000	1,536,607
Special activities financed by Commodity Credit Corporation:										
International affairs and finance: Economic and financial assistance.....	152	95,500	275,185	140,868				95,500	275,185	140,868
Agriculture and agricultural resources:										
Stabilization of farm prices and income.....	351	1,839,785	1,852,587	1,799,338	249,969	228,200	186,150	1,589,816	1,624,387	1,613,188
Conservation and development of agricultural land and water resources.....	354	38,200	37,500	17,500	38,500	41,200	25,500	-300	-3,700	-8,000
Research and agricultural services.....	355	824	1,411	2,813				824	1,411	2,813
Total, special activities financed by Commodity Credit Corporation.....		1,974,309	2,166,683	1,960,519	288,469	269,400	211,650	1,685,840	1,897,283	1,748,869
Total, Commodity Credit Corporation (fund).....		6,074,819	6,149,412	4,790,567	2,827,560	2,739,129	1,505,091	3,247,259	3,410,283	3,285,476
FEDERAL CROP INSURANCE CORPORATION										
Federal Crop Insurance Corporation fund.....	351	16,252	11,532	25,830	18,615	18,260	25,850	-2,363	-6,728	-20
FARMERS HOME ADMINISTRATION										
Disaster loans, etc., revolving fund.....	352	25,998	24,736	23,683	43,783	26,304	19,807	-17,785	-1,568	3,876
Farm tenant-mortgage insurance fund.....	352	16,296	16,387	22,679	9,481	15,150	14,244	6,815	1,237	8,435
Total, Farmers Home Administration.....		42,294	41,123	46,362	53,264	41,454	34,051	-10,970	-331	12,311
Total, public enterprise funds.....		6,133,365	6,202,067	4,862,759	2,899,439	2,798,843	1,564,992	3,233,926	3,403,224	3,297,767

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Agricultural Research Service.....		15,650		19,061		23,084		26,918
Salaries and expenses (special foreign currency program), Agricultural Research Service.....			14,786	18,193		30,324		29,589
Construction of facilities, Agricultural Research Service.....					5,020	6,400	45	1,195
Animal disease laboratory facilities, Agricultural Research Service.....	1,066	12,431	909	4,323		123		
Research facilities, Agricultural Research Service.....	16	130		15				
Watershed protection, Soil Conservation Service.....	9,527	30,083	5,323	25,814		27,487		28,762
Flood prevention, Soil Conservation Service.....	2,846	9,625	4,462	10,816		12,124		11,587
Water conservation and utilization projects, Soil Conserva- tion Service.....	110	120	135	137	130	134	128	132
Great plains conservation program, Soil Conservation Service.....	629	13,042	461	15,171		15,553		17,296
Agricultural conservation program, Agricultural Conserva- tion Program Service.....	1	21,357	2	26,682		30,682		28,682
Emergency conservation measures, Agricultural Conservation Program Service.....	15,856	17,880	15,330	16,984	13,830	14,984	12,330	12,984
Perishable Agricultural Commodities Act fund, Agricultural Marketing Service (indefinite special fund).....	388	426	345	395	186	277	27	118
Removal of surplus agricultural commodities, Agricultural Marketing Service (indefinite).....	300,000	307,626	300,000	327,043	300,000	337,043	300,000	337,043
Salaries and expenses (special foreign currency program), Foreign Agricultural Service.....			3,509	11,553		15,068		7,638
Soil bank program, Commodity Stabilization Service.....		1,087	44,359	16,936	9,639	43,912		16,205
Salaries and expenses, Centennial Observance of Agriculture.....							27	52
Access roads, Forest Service.....			1,000	1,000				
Acquisition of lands for national forests, Forest Service: Superior National Forest.....	15	164	1	37		237		187
Special acts (indefinite special fund).....		21		25		25		25
Cache National Forest.....	88	100	122	135		85		35
Assistance to States for tree planting, Forest Service.....	2	27		7		1		1
Expenses, brush disposal, Forest Service.....	1,828	3,498	4,289	5,767	5,888	6,767	6,388	7,367
Forest fire prevention, Forest Service.....	1	3	5	6		6		6
Restoration of forest lands and improvements, Forest Service.....	7	8	7	7		37		47
Construction of warehouse and related facilities, Salt Lake City, Utah, Forest Service.....			25	25				
Other.....		42,374		42,710		46,167		53,808
Subtotal.....	332,380	475,652	395,070	542,842	334,693	610,520	318,945	579,677
Balances of anticipated pay increase supplementals included above.....						-1,472		
Total, appropriations.....	332,380	475,652	395,070	542,842	334,693	609,048	318,945	579,677
Authorizations to expend from debt receipts:								
Soil bank programs, Commodity Stabilization Service.....	42	22	1	1				
Rural electrification and telephone loans, Rural Electrifica- tion Administration.....	210,613	967,024	135,629	886,019	27,629	788,019	129	673,019
Farm ownership, farm operating, and soil and water conser- vation loans, Farmers Home Administration.....		5,548		2,111		3,221		1,111
Farm housing loans, Farmers Home Administration.....	337,462	342,574	297,462	299,324		1,915		15
Commodity Credit Corporation fund.....	1,228,201	1,626,000	1,455,775	1,780,537	787,581	1,104,000	512,626	847,000
Total, authorization to expend from debt receipts.....	1,776,318	2,941,168	1,888,867	2,967,992	815,210	1,897,155	512,755	1,521,145
Contract authorizations: Forest roads and trails, Forest Service.....	30,499	38,664	30,393	40,664	35,000	45,664	37,500	50,664
Revolving and management funds:								
Advances and reimbursements, Agricultural Marketing Service.....	17	106	14	87		37		37
Local administration, sec. 388, Commodity Stabilization Service.....	1,714	5,479		3,983		3,983		3,983
Federal Crop Insurance Corporation fund.....	38,710	41,184	41,727	43,548	47,939	50,276	46,979	50,296
Disaster loans, etc., revolving fund, Farmers Home Admin- istration.....	67,958	63,758	84,489	81,543	86,184	83,111	82,392	79,235
Farm tenant-mortgage insurance fund, Farmers Home Ad- ministration.....	2,919	1,616	3,725	1,046	3,659	891	3,982	781
Commodity Credit Corporation (fund).....		33,366		28,896		28,970		29,019
Working capital fund, Agricultural Research Center.....	125	415	177	470	183	463	189	469
Working capital fund, Department of Agriculture, Office of Secretary.....	224	332	199	442	231	432	253	434
Working capital fund, Forest Service.....	614	1,945	163	2,443	-571	2,543	-641	2,543
Other.....		1,531		1,578		1,581		1,581
Total, revolving and management funds.....	112,281	149,732	130,494	164,036	137,625	172,287	133,154	168,378

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Proposed for later transmission:								
Appropriations, other than pay increase supplementals.....						72,024		500
Anticipated pay increase supplemental appropriations.....						1,472		
Total, proposed for later transmission.....						73,496		500
Total, Department of Agriculture.....	2,251,478	3,605,216	2,444,826	3,715,534	1,322,528	2,797,650	1,002,354	2,320,364

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority.....	5,683,542	5,361,471	5,508,982
Unobligated balances brought forward, start of year.....	2,251,478	2,444,826	1,322,528
Unobligated balances lapsing (—).....	—151,658	—539,305	—204,383
Unobligated balances carried forward, end of year (—).....	—2,444,826	—1,322,528	—1,002,354
Obligations incurred, net.....	5,338,536	5,944,464	5,624,773
Obligated balances brought forward, start of year.....	1,353,738	1,270,708	1,475,122
Adjustments of obligated balances in expired accounts.....	—2,671		
Transfers of obligated balances from other agencies, net.....		—1,106	
Obligated balances carried forward, end of year.....	—1,270,708	—1,475,122	—1,318,010
Budget expenditures.....	5,418,895	5,738,943	5,781,885

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
International affairs and finance:						
152 Economic and financial assistance.....	104,508	115,000	255,685	95,500	275,185	140,868
Labor and welfare:						
217 Other welfare services and administration.....	220,388	229,668	421,181	234,013	245,100	249,500
Agriculture and agricultural resources:						
351 Stabilization of farm prices and farm income.....	3,573,383	2,963,531	3,017,486	3,278,038	3,264,034	3,395,917
352 Financing farm ownership and operation.....	262,990	301,099	224,642	248,729	263,552	230,634
353 Financing rural electrification and rural telephones.....	274,632	320,024	255,024	330,422	327,863	340,024
354 Conservation and development of agricultural land and water resources.....	709,849	749,567	753,024	691,515	740,599	773,135
355 Research and other agricultural services.....	327,418	358,851	352,098	292,535	335,702	357,231
Total, agriculture and agricultural resources.....	5,148,272	4,693,072	4,602,274	4,841,239	4,931,750	5,096,941
Natural resources:						
402 Conservation and development of forest resources.....	210,374	323,731	229,842	204,893	246,961	292,676
Commerce, housing, and space technology:						
517 Other aids to housing.....				43,250	39,947	1,900
Total, Department of Agriculture.....	5,683,542	5,361,471	5,508,982	5,418,895	5,738,943	5,781,885

Budget expenditures of the Department of Agriculture in 1962 are estimated at \$5,782 million which is \$43 million more than is estimated for 1961. The estimated expenditures for 1962 are \$763 million more than the average for 1956, 1957, and 1958, but \$1.3 billion less than in the peak year of 1959 (see table 1). New obligational authority for 1962 is estimated at \$5,509 million as compared with \$5,361 million in 1961 and \$5,684 million enacted for 1960.

While most of the activities of the Department of Agriculture are of special benefit, directly or indirectly, to farmers and rural people, many of them are of substantial benefit also to the public generally. For example, basic scientific research carried on by the Department of Agriculture contributes to the sum total of scientific

knowledge, and is available for general use as well as to improve the scientific basis for the solution of specific problems of immediate interest to farmers. Similarly, many of the regulatory programs protect consumers generally even though they may be designed principally to give protection to farmers as producers. Conservation programs are designed to conserve soil and related water resources and to promote their best long-time use in the interest of the Nation as a whole. Because of the economic interdependence of the agricultural and many other sectors of the economy, even those agricultural programs that are designed specifically to raise and stabilize farm income often have an indirect impact on the level and stability of the incomes of related nonfarm sectors of the economy.

Table 1.—DEPARTMENT OF AGRICULTURE: EXPENDITURES FOR PRINCIPAL PROGRAMS, 1956-62

[In millions of dollars]

Program or agency	1956	1957	1958	1959	1960	1961 estimate	1962 estimate ¹
Price support, supply, and related commodity disposal programs (through Commodity Credit Corporation).....	3,699	2,857	2,358	4,289	3,072	3,261	3,225
Price support, supply and purchase programs.....	(2,898)	(1,087)	(987)	(2,775)	(1,480)	(1,423)	(1,537)
Public Law 480.....	(709)	(1,463)	(1,194)	(1,120)	(1,327)	(1,560)	(1,444)
International Wheat Agreement.....	(92)	(90)	(82)	(48)	(66)	(72)	(71)
Transfer of bartered materials to supplemental stockpile.....		(217)	(74)	(315)	(192)	(208)	(175)
Military housing.....			(11)	(31)	(6)	(-2)	(-2)
National Wool Act.....	2	61	57	20	93	62	66
Special milk program.....	45	56	67	75	81	90	94
Administration of acreage allotments and marketing quotas (Commodity Stabilization Service).....	39	40	41	42	40	44	45
Soil bank acreage reserve.....	4	344	620	673			
Sugar Act program.....	65	67	70	67	74	74	85
Removal of surplus agricultural commodities.....	179	171	125	141	90	100	110
School lunch program.....	83	99	100	144	153	155	155
Rural credit programs:							
Rural Electrification Administration.....	217	267	297	315	330	328	340
Farmers Home Administration.....	189	276	272	306	292	303	233
Conservation and resource development:							
Forest Service.....	130	151	164	190	205	247	293
Agricultural conservation program.....	222	249	235	246	237	236	234
Conservation reserve.....		13	113	125	324	354	377
Soil Conservation Service.....	83	88	99	175	131	151	163
Research, education, and other agricultural programs:							
Agricultural Research Service.....	110	120	132	174	172	190	201
Marketing research and service (Agricultural Marketing Service).....	24	25	28	39	38	47	48
Extension Service.....	48	52	59	63	64	68	70
Other.....	38	70	38	7	22	29	43
Total.....	5,177	5,006	4,875	7,091	5,419	5,739	5,782

¹ Includes proposed legislation.

Activities financed through the Commodity Credit Corporation.—Budget expenditures of the Commodity Credit Corporation for 1962 are estimated at \$3,285 million, which is 57% of estimated total expenditures of the Department of Agriculture for that year. Most of the Corporation's expenditures are made to finance price support, supply, and related commodity disposal programs of the Department. These programs, which account for \$3,225 million of the estimated total expenditures of the Corporation in 1962, include principally the regular price support programs, the surplus disposal operations under the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480), and the International Wheat Agreement. Certain other programs of the Department also are financed through the Corporation—for example, incentive payments to farmers under the National Wool Act, the special milk program (through 1961), and interim financing of a part of the cost of the agricultural conservation program through loans to the Secretary of Agriculture.

Budget expenditures of the Corporation consist largely of gross outlays for loans, commodity purchases, financing

or subsidizing exports, payments to producers, and storage and transportation costs; less applicable receipts, which are principally from commodity sales and collections on loans. These expenditures for a particular year are sometimes confused with the realized costs and losses reported by the Corporation for the same year. Although the realized costs and losses of the Corporation approximate net budget expenditures over an extended period of years, they may diverge sharply for any short period. The divergence would be especially great, for example, in a period in which a decline in the Corporation's commodity acquisitions, new loans, and related outlays is accompanied by a sharp reduction in commodity inventories. Gross expenditures under these circumstances would tend to fall and receipts would tend to rise, with net budget expenditures declining. But since commodity inventories usually are disposed of at a substantial loss, the realized losses in such a period would tend to rise. In 1957, a year in which heavy inventory liquidation and moderately reduced commodity acquisitions were accompanied by reduced price support outlays (see table 2), the Corpora-

tion's realized costs and losses amounted to \$4.2 billion whereas its net budget expenditures were \$3.4 billion, including expenditures of the soil bank programs in that year.

TABLE 2.—COMMODITY CREDIT CORPORATION: COMMODITY INVENTORY OPERATIONS AND INVESTMENT IN COMMODITIES AND LOANS 1956-62

[In millions of dollars]

Year	Commodity acquisitions (fiscal year)	Commodity dispositions (fiscal year)	Investment (end of fiscal year)		
			Commodity inventory	Commodity and storage facility loans	Total
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.....	3,356	2,611	6,201	2,480	8,681
1960.....	4,620	3,598	7,223	1,347	8,570
1961 estimate.....	3,946	3,740	7,429	1,263	8,692
1962 estimate.....	2,391	2,188	7,632	1,447	9,079

Related activities financed outside the Commodity Credit Corporation.—A number of agricultural programs that have a price- and income-supporting effect are carried on independently of the Commodity Credit Corporation. One of these is the Sugar Act program, which is expected to require expenditures of \$85 million for payments to sugar growers and administrative expenses in 1962. This is a somewhat higher amount than in the period 1956-61 (table 1). While these payments represent income supplements for growers, the price-supporting feature stems mainly from the authority of the Secretary of Agriculture to set an upper limit on the amount of sugar that may be marketed in the domestic market. In 1962 the sugar processing tax is expected to yield \$92 million, and the sugar import tax is expected to yield \$6 million. For the 20-year period 1941-60, total sugar tax collections have exceeded payments to growers by about one-third.

The program for the removal of surplus agricultural commodities, which dates from 1935 and is financed through a permanent appropriation, exerts a general price- and income-supporting effect through purchases of surplus commodities in the market and distribution through the school lunch program, relief agencies and other institutions caring for the needy. Purchases are restricted to the amounts that can be distributed through such outlets. Expenditures under this program are estimated at \$100 million in 1961 and \$110 million in 1962, which is somewhat higher than actual expenditures in 1960 but only about 63% of the average amount for 1956 and 1957. The surplus removal authority of the Secretary of Agriculture under this program parallels to some extent the authority of the Commodity Credit Corporation, with the result that year-to-year changes in expenditures under this program sometimes reflect variations in the extent of the activities of the Commodity Credit Corporation in this field as well as the need to remove price-depressing surpluses from the market.

The Federal contribution to the school lunch program is financed in part by a direct appropriation, in part by a transfer of funds from the permanent appropriation for the removal of surplus agricultural commodities, and in part by Government donations of commodities acquired under the surplus removal authority and in the price support operations. Because of its primary purpose, the school

lunch program is classified under labor and welfare in the functional classification. However, it contributes indirectly, by increasing consumption, to the objective of supporting farm prices and income. Total expenditures, excluding commodity donations, under this program are estimated at \$155 million in 1962, which is approximately the same as in 1960 and 1961. In 1956 and 1957, total expenditures were less than \$100 million.

Of the remaining programs shown in table 1, the conservation reserve contributes most directly to the price and income support objectives. Rental payments represent cash receipts for farm owners, but the principal impact on farm prices is through the withdrawal of land from production with the objective of reducing agricultural output. The present program, under which the authority to enter into new contracts expired on December 31, 1960, is expected to require expenditures in 1962 of \$357 million; and under proposed legislation extending the program additional expenditures of \$19 million will be required in 1962.

From the foregoing brief description of the several programs that involve farm price and income supports, it can be seen that budget expenditures for these programs are not a direct measure of the extent to which the programs increase the incomes of farmers as individuals or groups. While the connection between budget expenditures and the extent of income supplements for farmers is reasonably direct in a cash payment program such as that provided for under the National Wool Act, it is not so clear for other programs. For example, because of the inelastic demand for many farm commodities, a commodity acquisition program involving relatively small expenditures may result in a marked increase in the short-run in the incomes of the producers affected, particularly if the commodities are disposed of in such a way that they do not reenter the market. The results would be quite different, however, if a part of the commodities were permitted to reenter the market at some other point. The extent of the benefits received by farmers and rural people from the several types of programs described above, therefore, can be determined only on the basis of rather involved economic analysis.

Rural credit programs.—While the several programs carried out by the Commodity Credit Corporation utilize the loan contract as one of several program devices, the primary impact on farmers and rural people of the Corporation's loan activities is through their effect on farm commodity prices. In those programs, loans perform only to a limited extent their normal function of transferring control over capital resources, and represent more nearly a deferred purchase of farm commodities. Under the loan programs administered by the Rural Electrification Administration and the Farmers Home Administration, the Federal Government makes available capital resources to rural people and groups for specified purposes. Any effects on farm commodity prices and income are quite indirect. The impact on rural people and the rural economy is mainly through the added availability of capital and the favorable terms and conditions of the loans.

Expenditures of the Rural Electrification Administration in 1962 are estimated at \$340 million. Repayments on outstanding loans are expected to be about \$125 million. These repayments are returned to miscellaneous receipts of the Treasury, and expenditures of the Rural Electrification Administration are included in the budget on a gross basis.

A part of the expenditures for the activities administered by the Farmers Home Administration are reported on a net basis and a part on a gross basis. The disaster loan revolving fund and the farm tenant mortgage insurance fund are operated as revolving funds and reported on a net basis. The other programs of this loan agency are reported on a gross basis, and, as in the case of the Rural Electrification Administration, loan repayments are returned to the Treasury as miscellaneous receipts. Under existing legislation expenditures of the Farmers Home Administration are estimated at \$233 million. Under legislation considered by the Congress last year and again recommended, all of the operations of this agency would be reported on a revolving fund basis.

Conservation and resource development programs.—Conservation and development of forests, agricultural land and related water resources are major activities of the Department of Agriculture. Most of the activities in this area are carried on in the following agencies or programs: (1) Forest Service, (2) the agricultural conservation program, (3) Soil Conservation Service, and (4) the conservation reserve program. Total expenditures for these programs in 1962 are estimated at \$1,067 million, which accounts for 18% of total budget expenditures estimated for the Department in 1962.

Expenditures for this group of programs have risen steadily in recent years. The estimated total for 1962 is 2.4 times that for 1956. Excluding the conservation reserve, which appeared first as a budget item in 1957, the estimated total in 1962 is \$690 million, which is almost 1.6 times the total of \$435 million for these programs in 1956. The growth of expenditures under the conservation reserve reflects the prominent place that land retirement has occupied as an aid in dealing with agricultural surpluses.

The growth of expenditures of the Soil Conservation Service shown in table 1 reflects a steady rise of the expenditures for regular conservation operations, from \$63 million in 1956 to \$89 million estimated for 1962, combined with much more rapid growth in the other programs

administered by that agency. The watershed protection and Great Plains programs have been in the developmental stages in the period since 1956. In that year programs other than the regular conservation operations accounted for less than one-fourth of the expenditures of the Soil Conservation Service, whereas estimated expenditures for these programs in 1962 account for 45% of the total.

Research, education, and other agricultural programs.—Activities concerned with research, dissemination of information relating to agriculture, administration of regulations relating to agricultural production and marketing, promotion of export markets for farm commodities and other related programs are among the oldest in the Department of Agriculture. Unlike the programs such as those administered through the Commodity Credit Corporation and the credit programs of the Department, most of the expenditures of these programs are for salaries and operating expenses. The benefits accrue in part in the form of services of particular interest to the agricultural industry and rural people and also as indirect benefits to a much wider group.

Expenditures for the three programs in this group that are set out specifically in table 1 have risen substantially since 1956. Estimated expenditures for the Agricultural Research Service of \$201 million for 1962 are 1.8 times the expenditures for 1956; the \$70 million of estimated 1962 expenditures for the Extension Service are almost 1.5 times the 1956 level; and estimated 1962 expenditures of \$48 million for marketing research and service under the Agricultural Marketing Service are twice the 1956 level. Estimated expenditures under these three programs in 1962 are 74% higher than in 1956.

The residual group in table 1 includes a number of programs and agencies, among which are the following: The Office of the Secretary of Agriculture, the Office of the General Counsel, the Office of Information, the Federal Crop Insurance Corporation, the Foreign Agricultural Service, and certain miscellaneous programs and activities.

AGRICULTURAL RESEARCH SERVICE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to perform agricultural research relating to production, 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 \$15,000, except for five buildings to be constructed or improved at a cost not to exceed \$30,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$5,000 or 5 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to conversion of animal disease and parasite research facilities at Beltsville, Maryland:

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, [\$68,827,200] \$79,620,000: *Provided*, That the limitations contained herein shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That the Secretary of Agriculture may sell the Entomology Research Laboratory at Orlando, Florida, in such manner and upon such terms and conditions as he deems advantageous and the proceeds of such sale shall remain available until expended for the establishment of an entomology research laboratory: *Provided further*, That in the establishment of such laboratory the Secretary may acquire land therefor by donation or exchange;

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, as amended (21 U.S.C. 114b-[d]c), [\$52,236,000] \$55,045,000, of which \$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: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for fiscal year 1963 that does not require minimum matching by any State of at least 40 per centum: *Provided further*, That the Secretary is authorized to acquire land for the plant pest control activities presently located at Gulfport, Mississippi;

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, [\$21,562,000;] \$23,801,000.

Special fund: To provide for additional labor to be employed under contracts and cooperative agreements to strengthen the work at research installations in the field, not more than \$1,000,000 of the amount appropriated under this head for the fiscal year 1960 may be used by the Administrator of the Agricultural Research Service in departmental research programs in the fiscal year 1961, the amount so used to be transferred to and merged with the appropriation otherwise available under "Salaries and expenses, Research".

For an additional amount for "Salaries and expenses", for "Research", \$1,500,000. (5 U.S.C. 511-512, 524, 541c-541e, 563-564, 565a, 576, 2131; 7 U.S.C. 135-135k, 145-164a, 166-167, 281-283, 361a-361i, 391, 394-396, 401-404, 421-422a, 424-425, 427, 427i, 428a, 429-431, 433-434, 436-437, 851-855, 1292, 1651-1656, 1704, 1901-1906; 15 U.S.C. 69e; 16 U.S.C. 581-581a, 581f, 590a-590b, 590f, 590k; 18 U.S.C. 287; 19 U.S.C. 1201, 1306; 20 U.S.C. 191-194; 21 U.S.C. 71-91, 94-96, 98, 101-105, 111-114c, 114e-128, 130-131, 151-158, 342a, 346, 346a; 26 U.S.C. 4817, 7235; 31 U.S.C. 725a; 42 U.S.C. 1891-1893; 45 U.S.C. 71-74; 46 U.S.C. 466a-466b; 48 U.S.C. 198, 1409m-1409o; 49 U.S.C. 1474(a), 1509(d); 46 Stat. 67; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research:			
(a) Farm research.....	46,390	56,126	57,558
(b) Utilization research and develop- ment.....	16,071	18,071	18,192
(c) Home economics research.....	2,114	2,356	2,636
(d) Administration of payments to States, and research in Alaska, Puerto Rico, and Virgin Islands.....	1,096	1,228	1,234
Total, research.....	65,671	77,781	79,620
2. Plant and animal disease and pest control:			
(a) Plant disease and pest control.....	20,938	25,224	26,100
(b) Animal disease and pest control.....	24,857	28,625	28,945
Total, plant and animal disease and pest control.....	45,795	53,849	55,045
3. Meat inspection.....	20,567	23,126	23,801
Total program costs ¹	132,033	154,756	158,466
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-2,886	
Obligations incurred for costs of other years, net.....	4,168		
Total obligations.....	136,201	151,870	158,466
Financing:			
Comparative transfers to other accounts.....	1		
Unobligated balance lapsing.....	3,646		
New obligational authority.....	139,848	151,870	158,466
New obligational authority:			
Appropriation.....	138,848	144,125	158,466
Reappropriation.....	1,000	1,000	
Proposed supplemental due to pay increases.....		6,745	

¹ Includes capital outlay as follows: 1960, \$5,197 thousand; 1961, \$4,686 thousand; 1962, \$5,031 thousand.

The Service conducts basic and applied research relating to the production and utilization of agricultural products, and to human nutrition and 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.

During 1960, the Service acquired at no cost property declared excess by other Federal agencies with an original acquisition cost to the Government of \$2,631 thousand. The current fair value of this property is estimated at \$315 thousand. About half of this amount was for expendable materials and most of the remainder for upgrading or providing additional necessary equipment. Congress authorized the acquisition of certain real estate without cost. The real estate so acquired in 1960 is valued at about \$365 thousand.

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.

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 and nematodes; and to improve chemical, biological, and other methods for con-

AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

trol of harmful insects and other pests affecting farm production.

Research is conducted to improve fertilizers, soil management, irrigation, and conservation practices; to study hydrologic problems of agricultural watersheds; to determine the relation of soils to plant, animal, and human nutrition; and to apply engineering principles to improve efficiency and reduce costs of agricultural production.

Farm economics research is conducted on profitable adjustments in farming by type and size of farm; on efficiency in use of labor, equipment, land, and water; and on related economic problems, especially on adjustments in farming which may increase farmers' income without increase in output of farm products currently surplus to need.

Continuous review is maintained to emphasize work which will meet the problems of agricultural surpluses. The research is aimed at the profitable production of an adequate supply of food, feed, fiber, and other agricultural products of desired quality at minimum costs. Increased attention has been given to the production of agricultural products having industrial uses. Development of improved ginning processes and equipment is currently emphasized in order to avoid heat and other damage to cotton fiber during ginning. More than \$1.6 million of research funds are now used for the introduction and development of new crops.

The proportion of farm research funds going into basic research has steadily increased, and is currently estimated at 33% of the total funds for farm research. This basic research undergirds the other research efforts.

The estimates for 1962 propose increases for additional research at the new National Animal Disease Laboratory, Ames, Iowa, which will be completed in 1961; for partial staffing and operating costs at new cotton and grain insect laboratories to be ready for operation early in fiscal year 1962; and for research on tobacco quality and development of mechanized systems of tobacco production, on pear decline, and on farm adjustment problems. The direct appropriation of \$1 million is also proposed for employment of additional labor at research field stations in lieu of the special fund provided for this purpose in 1961 by reappropriation.

(b) *Utilization research and development.*—Chemical, physical, and biological research is conducted to develop increased industrial uses of farm products, and new and improved foods, feeds, and fabrics; and to develop improved methods for processing agricultural commodities.

(c) *Home economics research.*—Studies are made of human nutrition, household economics, and clothing and housing. The 1962 estimates include an increase proposed for research on the biological values of food for human nutrition. Such information is needed to guide future food programs.

(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 under this appropriation (\$419 thousand estimated for 1961) 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, as amended, and related provisions of the Federal Food, Drug, and Cosmetic Act are administered. An increase is proposed in 1962 for plant quarantine protection necessary because of increased travel and shipping. The volume of workload is indicated in the following table (in thousands):

	1958 actual	1959 actual	1960 actual
Inspections at ports of entry:			
Airplanes.....	121	134	139
Vessels.....	55	59	60
Vehicles from Mexico.....	19,434	21,120	22,657
Baggage, pieces of.....	17,277	21,331	22,025
Interceptions of unauthorized plant material.....	311	320	314

(b) *Animal disease and pest control.*—Programs are conducted 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 1962 propose an increase for animal disease control work at the new National Animal Disease Laboratory, Ames, Iowa.

The volume of protective activities is indicated by selected examples in the following table (in thousands):

	1958 actual	1959 actual	1960 actual
Animal import inspection:			
All animals.....	1,127	1,150	783
Import animal byproducts:			
Wool, bone, glands, etc.....pounds..	590,000	664,611	965,480
Hides and skins.....do.....	303,000	364,489	360,043
Sheep inspected for scabies.....	9,501	10,849	10,837
Scabies-infected sheep found.....	57	69	86
Cattle inspected for scabies.....	2,139	5,855	6,927
Scabies-infected cattle found.....	1	9	30
Inspections and dippings for cattle fever ticks.....	2,832	2,097	1,685
Cattle tested for tuberculosis.....	8,884	8,187	9,440
Tuberculosis reactors found.....	15	19	14
Cattle tested for brucellosis:			
Blood tests.....	16,251	14,169	12,468
Ring tests.....	30,927	30,693	30,764
Brucellosis reactors found.....	260	214	148
Animals inspected at public stockyards.....	62,918	62,813	65,500
Diseased animals received or found.....	352	435	446
Supervision of production of veterinary biologics:			
Hog-cholera virus and anti-hog-cholera serum.....doses..	40,669	44,232	41,645
Hog-cholera vaccine.....do.....	36,800	44,068	38,035
Other vaccines.....do.....	2,369,890	3,676,452	3,394,411
Total bacterins.....do.....	108,803	130,021	121,224
Diagnostic agents.....do.....	66,791	75,281	62,097
Other serums.....do.....	10,773	11,799	9,832

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 estimates for 1962 include a proposed increase for additional inspection staff to service the expanding demand for Federal meat inspection.

The volume of inspections and examinations is indicated by examples given in the following table:

	1958 actual	1959 actual	1960 actual
Number of establishments covered.....	1,300	1,334	1,396
Cities in which plants are located.....	518	546	572
Inspections of live animals.....	97,604,152	99,419,254	107,504,884
Post mortem inspections.....	97,599,295	99,414,897	107,499,826
Animals and carcasses condemned.....	264,393	242,329	255,632
Inspection of processed meat and meat-food products (million pounds).....	16,792	17,618	18,698

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	441	434	534	534
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	5,784	9,353	6,367	6,367
Advances (payments for goods and services on order not yet received).....	942	1,104	1,104	1,104
Total selected resources at end of year.....	7,167	10,891	8,005	8,005
Selected resources at start of year.....		-7,167	-10,891	-8,005
Adjustment of prior year costs and selected resources reported at start of year.....		444		
Costs financed from obligations of other years, net (-).....			-2,886	
Obligations incurred for costs of other years, net.....		4,168		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL RESEARCH SERVICE			
11 Personnel compensation:			
Permanent positions.....	84,785	96,977	101,060
Positions other than permanent.....	3,942	4,618	4,981
Other personnel compensation.....	1,516	1,330	971
Total personnel compensation.....	90,243	102,925	107,012
12 Personnel benefits.....	5,980	7,817	8,137
21 Travel and transportation of persons.....	4,124	4,452	4,555
22 Transportation of things.....	730	808	843
23 Rent, communications, and utilities.....	2,202	2,634	2,923
24 Printing and reproduction.....	681	781	787
25 Other services:			
Services of other agencies.....	4,390	4,309	4,529
26 Supplies and materials.....	8,915	9,314	10,225
31 Equipment.....	3,882	3,780	4,612
32 Lands and structures.....	826	906	619
42 Insurance claims and indemnities:			
Indemnities:			
Tuberculosis.....	362	370	370
Brucellosis.....	1,633	2,100	2,100
Scrapie of sheep.....	239	200	200
Anaplasmosis.....	1	1	1
Claims—Federal Tort Claims Act.....	5		
Payment to Mexican-United States Commission for the Prevention of Foot-and-Mouth Disease.....	23	26	26
Subtotal.....	133,636	151,908	158,571
Deduct quarters and subsistence charges.....	106	105	105
Total, Agricultural Research Service.....	133,530	151,803	158,466

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....	121	44	
32 Lands and structures.....	2,550	23	
Total, General Services Administration.....	2,671	67	
Total obligations.....	136,201	151,870	158,466

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	16,232	16,609	17,238
Full-time equivalent of other positions.....	1,072	1,200	1,290
Average number of employees.....	15,359	16,241	17,031
Number of employees at end of year.....	17,282	17,950	18,510
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$6,096	\$6,621	\$6,622
Average salary of ungraded positions.....	\$4,168	\$4,402	\$4,394

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for market development research authorized by section 104(a), and for agricultural and forestry research authorized by section 104(k) of that Act, to remain available until expended, \$15,131,000: *Provided*, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Agricultural Research Service for the foregoing purposes of section 104(a) is appropriated as of that date and shall be merged with this appropriation: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses \$5,265,000: *Provided*, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Market development research (sec. 104(a)).....	715	2,742	4,354
2. Agricultural and forest research (sec. 104(k)).....	97	1,858	4,268
Total program costs.....	812	4,600	8,622
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....			-3,357
Obligations incurred for costs of other years, net.....	2,212	28,412	
Total obligations.....	3,024	33,012	5,265
Financing:			
Comparative transfers from (-) other accounts.....	-793	-3,095	
Unobligated balance brought forward.....	-5,973	-14,786	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	-19		
Unobligated balance carried forward.....	14,786		
Authorization to expend foreign currency receipts (net of appropriation to cover balances as of June 30, 1960).....	7,168		
New obligational authority (appropriation).....	18,193	15,131	5,265

Note.—The gross foreign currency authorization in 1960 was \$11,025 thousand. The schedule above covers foreign currency authorizations for 1960. The appropriation for 1960 was equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 and 1962 relate to appropriations.

AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued

Foreign currencies, generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, are used by the Department for market development research under section 104(a) and for agricultural and forest research under section 104(k). Work is carried on through contracts or grants, in both basic and applied fields, by research institutions and organizations in foreign countries. This research serves to develop new foreign markets and to expand existing markets for agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. It also provides for supplementary research on farm, forest, marketing, utilization, and human nutrition problems. In 1962 this appropriation will be used to purchase only those currencies determined to be excess to the normal requirements of the United States, plus a small amount of Korean currency previously earmarked for use by the Department of Agriculture. Total estimated cost in U.S. dollars (charged to regular appropriations) of the initiation and supervision of projects in 1962 is \$310 thousand.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders (representing primarily work under contract not performed) are as follows: 1959, \$1,805 thousand; 1960, \$4,017 thousand; 1961, \$32,429 thousand; 1962, \$29,072 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4	8	10
Positions other than permanent.....	2	6	6
Other personnel compensation.....	1	1	1
Total personnel compensation.....	7	15	17
12 Personnel benefits.....	16	25	31
21 Travel and transportation of persons.....	77	70	78
22 Transportation of things.....	1	7	2
23 Rent, communications, and utilities.....	1	1	2
25 Other services.....	2,907	32,870	5,107
Services of other agencies.....	14	23	25
26 Supplies and materials.....			1
31 Equipment.....	1	1	2
Total obligations.....	3,024	33,012	5,265

Personnel Summary

Total number of permanent positions.....	2	5	5
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	2	5	6
Number of employees at end of year.....	2	5	5
Average salary of ungraded positions.....	\$4,168	\$4,402	\$4,394

Analysis of Foreign Currency Expenditures (in thousands of dollars)

Obligated balance brought forward.....	1,828		
Obligations incurred during year.....	2,234		
Obligated balance, end of year, transferred to appropriation.....	-3,407		
Expenditures.....	655		

Status of Unfunded Allocations (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	2,109		
Allocations.....	11,025		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	1		
Unfunded balance appropriated.....	-3,700		
Transfers into agency account.....	9,435		

CONSTRUCTION OF FACILITIES

For construction of facilities and acquisition of the necessary land therefor by donation or exchange, **[\$2,550,000]** \$550,000, to remain available until expended.

For an additional amount for "Construction of Facilities", \$5,200,000.] (5 U.S.C. 565a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction of facilities (total program costs).....		1,426	5,879
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....			-354
Obligations incurred for costs of other years, net.....		1,304	
Total obligations.....		2,730	5,525
Financing:			
Unobligated balance brought forward.....			-5,020
Unobligated balance carried forward.....		5,020	45
New obligational authority (appropriation)		7,750	550

Funds were appropriated in 1961 for construction of facilities for poultry research at Athens, Ga., and State College, Miss.; for soil and water research at Twin Falls, Idaho, Pullman, Wash., and Bushland, Tex.; for entomology research at Gainesville, Fla.; for research on metabolism of agricultural chemicals in insects, plants, and livestock, and insect control through use of sterility techniques at Fargo, N. Dak.; for tobacco research at Lexington, Ky.; for tillage machinery research at Auburn, Ala.; for plant, soil, and nutrition research at Ithaca, N.Y.; and for a National Arboretum headquarters-laboratory building at Washington, D.C. Additional funds are requested for 1962 for facilities for research on biological control of insects at Columbia, Mo.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1961, \$1,304 thousand; 1962, \$950 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL RESEARCH SERVICE			
25 Services of other agencies.....		92	15
32 Lands and structures.....			250
Total, Agricultural Research Service.....		92	265

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....		6	15
25 Other services.....		228	190
32 Lands and structures.....		2,404	5,055
Total, General Services Administration.....		2,638	5,260
Total obligations.....		2,730	5,525

STATE EXPERIMENT STATIONS

Payments to States 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, **[\$32,053,000]** \$34,053,000; 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, **[\$32,553,000]** \$34,553,000.

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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments to agricultural experiment stations.....	30,825	31,815	33,755
(b) Federal administration.....	675	738	798
2. Penalty mail.....	250	250	250
Total program costs ¹	31,750	32,803	34,803
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	20		
Total obligations.....	31,770	32,803	34,803
Financing:			
Unobligated balance lapsing.....	33		
New obligational authority (appropriation)	31,804	32,803	34,803

¹ Includes capital outlay as follows: 1960, \$1 thousand; 1961, \$1 thousand; 1962, \$4 thousand.

Funds are allocated to agricultural experiment stations of the land-grant colleges in the States 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 States are contributing about \$3 for every \$1 paid by the Federal Government.

The proposed increase is to strengthen the cooperative research program at the agricultural experiment stations in the States and Puerto Rico.

The planned distribution of the grants for 1962 is (in thousands of dollars):

Distributed according to statutory formula.....	26,606
Regional research funds.....	6,649
Payments authorized for marketing projects.....	500
Total.....	33,755

3. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand; 1959 (adjusted), —\$17 thousand; 1960, \$3 thousand; 1961, \$3 thousand; 1962, \$3 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	495	529	571
Positions other than permanent.....	4	5	5
Other personnel compensation.....	5	2	
Total personnel compensation.....	504	536	576
12 Personnel benefits.....	35	40	44
21 Travel and transportation of persons.....	74	87	92
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	255	255	256
24 Printing and reproduction.....	3	4	4
25 Other services.....	1	1	2
Services of other agencies.....	52	58	63
26 Supplies and materials.....	4	5	6
31 Equipment.....	1	1	4
41 Grants, subsidies, and contributions.....	30,840	31,815	33,755
Total obligations.....	31,770	32,803	34,803

Personnel Summary

Total number of permanent positions.....	72	69	76
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	68	67	72
Number of employees at end of year.....	68	68	75
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$6,096	\$6,621	\$6,622

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, as amended, 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, 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Eradication of vesicular exanthema of swine (total program costs ¹).....	33		
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—33		
Total obligations.....			
Financing:			
New obligational authority (appropriation).....			

¹ Includes \$20 thousand in capital outlay costs.

AGRICULTURAL RESEARCH SERVICE—Continued

Current authorizations—Continued

DISEASES OF ANIMALS AND POULTRY—Continued

This appropriation item is available should it become necessary to finance measures to eradicate outbreaks of livestock diseases, including poultry, such as foot-and-mouth disease, rinderpest, European fowl pest, etc., which constitute an emergency as determined by the Secretary of Agriculture and threaten the livestock or poultry industry of the country. Costs reported represent deliveries of prior years' undelivered orders, and adjustments relating to former emergency programs financed until 1959 by transfers from other funds of the Department.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received).....	40	---	---	---
Advances (payments for goods and services on order not yet received).....	2	---	---	---
Total selected resources at end of year.....	42	---	---	---
Selected resources at start of year (—).....	---	42	---	---
Adjustment of selected resources reported at start of year.....	---	9	---	---
Costs financed from obligations of other years, net (—).....	---	33	---	---

ANIMAL DISEASE LABORATORY FACILITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Facility for animal disease research and control (total program costs).....	8,170	3,009	---
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	8,013	2,100	---
Total obligations.....	157	909	---
Financing:			
Unobligated balance brought forward.....	1,066	909	---
Unobligated balance carried forward.....	---	---	---
New obligational authority (appropriation)	---	---	---

In previous years, \$16.5 million 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. Completion and occupancy are expected early in calendar year 1961.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$10,113 thousand; 1960, \$2,100 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL RESEARCH SERVICE			
31 Equipment.....	93	427	---
32 Lands and structures.....	---	350	---
Total, Agricultural Research Service.....	93	777	---
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....	1	---	---
23 Rent, communications, and utilities.....	1	---	---
24 Printing and reproduction.....	1	---	---
25 Other services.....	48	29	---
32 Lands and structures.....	13	103	---
Total, General Services Administration.....	64	132	---
Total obligations.....	157	909	---

RESEARCH FACILITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Facilities for research on foot-and-mouth and other diseases of animals (total program costs).....	94	13	---
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	58	13	---
Total obligations.....	36	---	---
Financing:			
Unobligated balance brought forward.....	16	---	---
Recovery of prior year obligations.....	20	---	---
New obligational authority (appropriation)	---	---	---

The research laboratory and related facilities for investigation of foot-and-mouth and other animal diseases, for which \$10 million was appropriated in 1952, has been completed and is now in use.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$71 thousand; 1960, \$13 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	29	---	---
32 Lands and structures.....	7	---	---
Total obligations.....	36	---	---

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Mutual security—economic," funds appropriated to the President.
 "Translation of publications and scientific cooperation," funds appropriated to the President.
 "United States dollars advanced from foreign governments," United States educational exchange program, Department of State.
 "Watershed protection," Soil Conservation Service.

Permanent authorizations:**ALTERATIONS AND IMPROVEMENTS, ANIMAL QUARANTINE STATION,
CLIFTON, N.J.**

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Alterations and improvements (total program costs ¹).....	26	4	
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-4	
Obligations incurred for costs of other years, net.....	4		
Total obligations.....	30		
Financing:			
New obligational authority (appropriation).....	30		

¹ Includes capital outlay as follows: 1960, \$20 thousand; 1961, \$10 thousand.

Under authority of the act of August 20, 1958 (72 Stat. 680), approximately 7 acres of land at the U.S. Animal Quarantine Station, Clifton, N.J., were conveyed to the city of Clifton. The Federal Government received \$83 thousand for this land, of which \$30 thousand was deposited on August 19, 1959, to a special fund for alterations of buildings, facilities, and improvements on the remaining land at the station.

2. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders for 1960 was \$4 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	2		
25 Other services.....	6		
26 Supplies and materials.....	3		
32 Lands and structures.....	19		
Total obligations.....	30		

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	1		
Number of employees at end of year.....	0		
Average salary of ungraded positions.....	\$4,168		

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 thousand appropriated in 1951 and donated assets of \$252 thousand as of June 30, 1960. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	27	35	35
Purchase of material and supplies.....	783	875	875
Other expenses.....	2,350	2,447	2,434
Increase in selected working capital.....	16		
Total gross expenditures.....	3,176	3,357	3,344
Receipts from operations (funds provided):			
Sales of goods and services.....	3,216	3,337	3,337
Rental income from quarters.....	12	13	13
Proceeds from sale of equipment.....	4		
Total receipts from operations.....	3,231	3,350	3,350
Budget expenditures.....	-55	7	-6

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	3,228	3,350	3,350
Expense.....	3,212	3,340	3,340
Net operating income.....	16	10	10
Nonoperating income:			
Proceeds from sale of equipment.....	4		
Net book value of assets sold (-).....	-4		
Net nonoperating income.....			
Net income for the year.....	16	10	10
Retained earnings beginning of year.....	39	55	65
Retained earnings, end of year.....	55	65	75

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	470	463	469
Accounts receivable, net.....	262	250	250
Materials and supplies.....	86	110	121
Equipment, net.....	230	223	216
Total assets.....	1,048	1,046	1,056
Liabilities:			
Current.....	441	429	429
Government investment:			
Non-interest-bearing capital:			
Start of year.....	530	552	552
Donated capital during year.....	22		
End of year.....	552	552	552
Retained earnings.....	55	65	75
Total Government investment.....	607	617	627

Note.—Unpaid undelivered orders are as follows: 1959, \$95 thousand; 1960, \$114 thousand; 1961, \$101 thousand; 1962, \$101 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,622	1,753	1,759
Positions other than permanent.....	106	108	108
Other personnel compensation.....	52	51	45
Total personnel compensation.....	1,780	1,912	1,912

AGRICULTURAL RESEARCH SERVICE—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, AGRICULTURAL RESEARCH CENTER—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	117	149	149
21 Travel and transportation of persons.....	2	2	2
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	341	350	350
24 Printing and reproduction.....	2	2	2
25 Other services.....	47	67	67
26 Supplies and materials.....	860	825	825
31 Equipment.....	23	35	35
32 Lands and structures.....	5		
Total obligations.....	3,179	3,344	3,344

Personnel Summary

Total number of permanent positions.....	345	367	367
Full-time equivalent of other positions.....	29	22	22
Average number of all employees.....	353	367	368
Number of employees at end of year.....	380	412	412
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$6,096	\$6,621	\$6,622
Average salary of ungraded positions.....	\$4,168	\$4,402	\$4,394

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research.....	958	1,381	1,402
2. Plant and animal disease and pest control.....	604	540	538
3. Meat inspection.....	7,451	8,002	8,002
4. Miscellaneous services to other accounts.....	133	139	139
Total program costs.....	9,146	10,062	10,081
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	78		
Total obligations.....	9,224	10,062	10,081
Financing:			
Advances and reimbursements from—			
Other accounts.....	3,158	3,265	3,284
Non-Federal sources.....	6,066	6,797	6,797
Total financing.....	9,224	10,062	10,081

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)).

5. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1959 (adjusted), \$99 thousand; 1960, \$177 thousand; 1961, \$177 thousand; 1962, \$177 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,929	3,143	3,175
Positions other than permanent.....	35	36	35
Other personnel compensation.....	5,128	5,686	5,674
Total personnel compensation.....	8,092	8,865	8,884
12 Personnel benefits.....	199	245	246
21 Travel and transportation of persons.....	212	233	233
22 Transportation of things.....	33	36	34
23 Rent, communications, and utilities.....	74	80	80
24 Printing and reproduction.....	28	25	25
25 Other services.....	95	92	92
Services of other agencies.....	85	71	72
26 Supplies and materials.....	198	217	217
31 Equipment.....	208	198	198
Total obligations.....	9,224	10,062	10,081

Personnel Summary

Total number of permanent positions.....	59	76	77
Full-time equivalent of other positions.....	7	4	4
Average number of employees.....	487	484	485
Number of employees at end of year.....	62	78	79
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$6,096	\$6,621	\$6,622
Average salary of ungraded positions.....	\$4,168	\$4,402	\$4,394

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research.....		500	
2. Plant and animal disease and pest control.....		150	
Total costs—obligations.....		650	
Financing:			
New obligational authority (proposed supplemental appropriation).....		650	

Under existing legislation, 1961.—A supplemental appropriation is anticipated for wage-board salary increases.

EXTENSION SERVICE

Current authorizations:

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES

Payments to States 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), **[\$55,220,000]** \$57,220,000; 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]** \$1,570,000; in all, **[\$56,715,000]** \$58,790,000: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, shall not be paid to any State 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, **[\$5,961,000]** \$6,260,000.

Penalty mail: For costs of penalty mail for cooperative extension agents and State extension directors, \$2,490,000.

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 and insular possessions, **[\$2,265,000] \$2,500,000.** (39 U.S.C. 321i, 321n, 321p-q; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to States and Puerto Rico:			
(a) Payments for cooperative agricultural extension work under Smith-Lever Act.....	52,041	55,124	57,220
(b) Payments and contracts under the Agricultural Marketing Act.....	1,608	1,680	1,656
2. Retirement costs for extension agents.....	5,631	5,961	6,260
3. Penalty mail.....	2,491	2,490	2,490
4. Federal Extension Service.....	2,223	2,402	2,500
Total program costs ¹	63,995	67,657	70,126
5. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-110	-185	-86
Total obligations.....	63,884	67,472	70,040
Financing:			
Unobligated balance lapsing.....	239		
New obligational authority.....	64,123	67,472	70,040
New obligational authority:			
Appropriation.....	64,123	67,431	70,040
Proposed supplemental due to pay increases.....		41	

¹Includes capital outlay as follows: 1960, \$29 thousand; 1961, \$14 thousand; 1962, \$16 thousand.

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 and Puerto Rico.*—Funds appropriated under the Smith-Lever Act for payments to States 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 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 accomplished largely through 4-H Clubs.

The proposed increase is for payments to States for (1) cooperative agricultural extension work under the Smith-Lever Act to strengthen and expand extension work with disadvantaged rural families in connection with the rural development program, and (2) marketing educational work to improve methods of processing agricultural

products, increase the efficiency of marketing operations, introduce new uses of agricultural products, and maintain quality of agricultural products in the marketing system.

The scope of extension activities is reflected in the following selected statistics (in thousands):

	1957	1958	1959
Number of families assisted in adopting improved agricultural practices.....	6,819	7,947	8,040
Number of families assisted in adopting improved homemaking practices.....	6,873	7,475	8,453
Number of 4-H Club members.....	2,201	2,254	2,302
Number of voluntary local leaders.....	1,262	1,281	1,277
Number of bulletins distributed.....	30,894	32,873	34,230

2. *Retirement costs for extension agents.*—The increase proposed is required to meet retirement costs of cooperative extension agents as authorized under Public Law 854, approved July 31, 1956. Cooperative extension agents are joint employees of the U.S. 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 Federal appropriation.

3. *Penalty mail.*—Funds to cover the cost of penalty mailings for State extension directors and cooperative extension agents in the States are provided under this appropriation.

4. *Federal Extension Service.*—The Federal Extension Service provides leadership, counsel, and assistance to the States 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. The proposed increase will strengthen the Federal staff of the Extension Service to meet increased responsibilities resulting from intensified extension programs, to meet requests from the States for increased program leadership and assistance, to provide liaison with research, service, and other authorized activities of USDA, and to provide leadership in subject-matter areas not now covered.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	426	326	196	146
Advances (payments for goods and services on order not yet received).....	169	151	96	60
Total selected resources at end of year.....	595	477	292	206
Selected resources at start of year (-).....		-595	-477	-292
Adjustment of selected resources reported at start of year.....		8		
Costs financed from obligations of other years, net (-).....		-110	-185	-86

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,646	1,824	1,891
Positions other than permanent.....	6	3	
Other personnel compensation.....	20	14	7
Total personnel compensation.....	1,673	1,841	1,898
12 Personnel benefits.....	5,747	6,099	6,403
21 Travel and transportation of persons.....	217	216	231

EXTENSION SERVICE—Continued

Current authorizations—Continued

COOPERATIVE EXTENSION WORK, PAYMENTS AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	23	30	36
23 Rent, communications, and utilities.....	2,525	2,529	2,530
24 Printing and reproduction.....	75	75	79
25 Other services.....	133	84	86
Services of other agencies.....	34	31	32
26 Supplies and materials.....	17	15	16
31 Equipment.....	28	8	14
41 Grants, subsidies, and contributions.....	53,413	56,544	58,715
Total obligations.....	63,884	67,472	70,040

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	239	242	248
Full-time equivalent of other positions.....	2	1	-----
Average number of all employees.....	224	231	235
Number of employees at end of year.....	236	236	246
Average GS grade.....	8.7	8.8	8.8
Average GS salary.....	\$7,325	\$7,993	\$8,087

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Cooperation with the Bureau of Indian Affairs on extension program with Indians.....	34	37	41
2. Assistance to agricultural stabilization and conservation committees and the Commodity Credit Corporation loan program in Alaska.....	17	16	16
3. Miscellaneous services to other accounts.....	9	6	-----
Total obligations.....	61	59	57
Financing:			
Advances and reimbursements from—			
Other accounts.....	60	59	57
Non-Federal sources (5 U.S.C. 61(b)).....	1	-----	-----
Total financing.....	61	59	57

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	34	36	31
12 Personnel benefits.....	2	3	2
21 Travel and transportation of persons.....	5	4	7
25 Other services: Services of other agencies.....	2	-----	1
41 Grants, subsidies, and contributions.....	17	16	16
Total obligations.....	61	59	57

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3	3	3
Average number of all employees.....	4	3	3
Number of employees at end of year.....	3	3	3
Average GS grade.....	10.7	10.7	10.7
Average GS salary.....	\$9,263	\$10,039	\$10,261

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), ~~[\$620,000]~~ \$657,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research and technical assistance for farmers cooperatives (total program costs ¹).....	600	657	657
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	6	-----	-----
Total obligations.....	606	657	657
Financing:			
Unobligated balance lapsing.....	10	-----	-----
New obligational authority.....	616	657	657
New obligational authority:			
Appropriation.....	616	620	657
Proposed supplemental due to pay increases.....	-----	37	-----

¹ Includes capital outlay as follows: 1960, \$4 thousand; 1961, \$4 thousand; 1962, \$3 thousand.

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.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$12 thousand; 1959 (adjusted), \$10 thousand; 1960, \$16 thousand; 1961, \$16 thousand; 1962, \$16 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	464	509	511
Other personnel compensation.....	4	2	-----
Total personnel compensation.....	468	511	511
12 Personnel benefits.....	32	39	39
21 Travel and transportation of persons.....	30	33	33
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	14	14	14
24 Printing and reproduction.....	45	40	40

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	2	5	5
Services of other agencies.....	5	7	7
26 Supplies and materials.....	4	4	4
31 Equipment.....	5	3	3
Total obligations.....	606	657	657

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	76	73	73
Average number of all employees.....	66	66	66
Number of employees at end of year.....	66	67	67
Average GS grade.....	8.5	8.9	8.9
Average GS salary.....	\$6,842	\$7,700	\$7,767

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research and technical assistance for farmers cooperatives.....		3	
2. Marketing research activities (Agricultural Marketing Service).....	393	436	436
Total program costs.....	393	439	436
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	23		
Total obligations.....	416	439	436
Financing:			
Advances and reimbursements from other accounts.....	419	439	436
Unobligated balance lapsing.....	-3		
Total financing.....	416	439	436

3. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$21 thousand; 1960, \$44 thousand; 1961, \$44 thousand; 1962, \$44 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	306	335	333
Other personnel compensation.....	3	1	
Total personnel compensation.....	309	336	333
12 Personnel benefits.....	21	26	26
21 Travel and transportation of persons.....	22	23	23
23 Rent, communications, and utilities.....	9	9	9
24 Printing and reproduction.....	11	12	12
25 Other services.....	37	26	26
Services of other agencies.....	4	4	4

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	3	3	3
Total obligations.....	416	439	436

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	54	49	49
Average number of all employees.....	44	43	43
Number of employees at end of year.....	44	44	44
Average GS grade.....	8.5	8.6	8.6
Average GS salary.....	\$6,709	\$7,366	\$7,405

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, 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, **[\$83,132,000]** \$89,725,000: *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 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: *Provided further*, That not to exceed \$600,000 of the amount appropriated under this head for fiscal year 1960 may be used to employ conservation aides and other nonprofessional personnel on a part-time or contract basis, and the amount so used may be transferred to and merged with this appropriation. (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, 1961.)

SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

CONSERVATION OPERATIONS—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct program costs:			
1. Assistance to soil conservation districts and other cooperators (total direct program costs ¹).....	81,355	89,204	89,725
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-31		
Total direct obligations.....	81,324	89,204	89,725
Reimbursable costs—obligations:			
3. Technical services to agricultural conservation program participants.....	7,070	7,211	7,350
Total obligations.....	88,394	96,415	97,075
Financing:			
Advances and reimbursements from other accounts.....	-7,070	-7,211	-7,350
Unobligated balance lapsing.....	998		
New obligational authority (appropriation)	82,322	89,204	89,725
New obligational authority:			
Appropriation.....	82,322	83,132	89,725
Reappropriation.....		600	
Proposed supplemental due to pay increases.....		5,472	

¹ Includes capital outlay as follows: 1960, \$2,555 thousand; 1961, \$2,200 thousand; 1962, \$2,200 thousand.

1. Assistance furnished soil conservation districts and other cooperators consists primarily of: (a) standard soil surveys and special soils investigations to provide physical land facts needed for farm and ranch conservation planning and application of practices and by other Federal, State, and local agencies and the public;

MAIN WORKLOAD FACTORS

[In millions of acres]

	Total as of June 30, 1960	1960 actual	1961 estimate	1962 estimate
Soil surveys.....	658.7	50.2	53.0	54.0
Range site determinations.....	104.8	14.5	15.0	15.0

(b) technical assistance to farmers and ranchers in planning individual conservation programs for orderly adjustment of the use and treatment of their land; (c) management consultation and other technical assistance in installing the conservation practices provided for in their farm and ranch conservation plans;

MAIN WORKLOAD FACTORS

	1960 actual	1961 estimate	1962 estimate
Number of soil conservation districts....	2,867	2,887	2,905
Number of soil conservation district cooperators.....	1,849,525	1,870,000	1,887,000
Number of cooperators having farm and ranch conservation plans.....	1,301,450	1,336,000	1,370,000
Number of cooperators and other farms applying conservation practices.....	644,832	650,000	660,000

(d) technical assistance to group enterprises on soil conservation and water control problems that can best be solved by group action; (e) donation to soil conservation districts of special equipment acquired from Federal

Government surplus and needed in the application of conservation practices (the original acquisition cost to the Government of such equipment in 1960 was \$4,234 thousand); (f) streamflow forecasts, developed from snow surveys in the Western States, which serve as a basis for planning for efficient seasonal use of water; (g) the selection and testing of promising plant materials to determine their suitability for erosion control purposes; (h) technical assistance to agricultural conservation program participants in establishing specified conservation practices; (i) technical assistance to conservation reserve program participants in planning and applying specified conservation practices; and (j) technical assistance in planning and applying the practices for which soil and water conservation loans are made by the Farmers Home Administration.

During 1960, the Service acquired at no cost property declared excess by other Federal agencies with an original acquisition cost to the Government (exclusive of equipment donated to soil conservation districts) of \$178 thousand.

The increase proposed would be used to staff new districts expected to be organized in 1962.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Direct program costs:				
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	139	138	138	138
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	1,039	964	964	964
Total selected resources at end of year.....	1,179	1,102	1,102	1,102
Selected resources at start of year (-).....		-1,179	-1,102	-1,102
Adjustment of prior year costs and selected resources reported at start of year.....		46		
Costs financed from obligations of other years, net (-).....		-31		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	66,799	73,317	73,876
Positions other than permanent.....	3,134	3,543	3,766
Other personnel compensation.....	734	560	290
Total personnel compensation.....	70,667	77,420	77,932
Direct obligations:			
11 Personnel compensation.....	64,688	71,324	71,721
12 Personnel benefits.....	4,403	5,512	5,547
21 Travel and transportation of persons.....	2,424	2,451	2,465
22 Transportation of things.....	485	502	506
23 Rent, communications, and utilities.....	2,833	2,870	2,907
24 Printing and reproduction.....	395	415	416
25 Other services.....	631	635	640
Services of other agencies.....	226	230	234
26 Supplies and materials.....	3,137	3,150	3,167
31 Equipment.....	2,101	2,116	2,128
32 Lands and structures.....		5	
44 Refunds.....	6		
Subtotal.....	81,329	89,210	89,731
Deduct quarters and subsistence charges.....	5	6	6
Total direct obligations.....	81,324	89,204	89,725

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Reimbursable obligations:			
11 Personnel compensation.....	5,978	6,096	6,211
12 Personnel benefits.....	373	443	456
21 Travel and transportation of persons.....	1	2	2
25 Other services.....	446	400	406
26 Supplies and materials.....	272	270	275
Total reimbursable obligations.....	7,070	7,211	7,350
Total obligations.....	88,394	96,415	97,075

Personnel Summary

Total number of permanent positions.....	13,165	13,245	13,350
Full-time equivalent of other positions.....	876	931	989
Average number of all employees.....	12,558	12,639	12,816
Number of employees at end of year.....	14,534	14,895	15,100
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114

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. 1001-1008), and the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), to remain available until expended, **[\$35,000,000] \$46,287,000**, 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): *Provided further*, That not to exceed \$2,500,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

[\$1,800,000.] (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$75 thousand for activities transferred in the estimates to "Salaries and expenses," Office of the General Counsel. The amount obligated in 1961 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Investigations and planning.....	4,563	5,204	3,722
2. Installation of works of improvement.....	21,933	31,271	38,294
3. Loans and related expense.....	138	3,128	2,203
4. Surveys and investigations of water resources programs.....	986	1,168	1,168
Total program costs ¹	27,620	40,771	45,387
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—666		
Obligations incurred for costs of other years, net.....		1,277	900
Total obligations.....	26,954	42,048	46,287
Financing:			
Comparative transfers to other accounts.....		75	
Unobligated balance brought forward.....	—9,527	—5,323	
Unobligated balance carried forward.....	5,323		
New obligational authority (appropriation)	22,750	36,800	46,287

¹Includes capital outlay as follows: 1960, \$625 thousand; 1961, \$673 thousand; 1962, \$746 thousand.

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 costs 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.

MAIN WORKLOAD FACTORS

Activity	1958 actual	1959 actual	1960 actual	1961 estimate	1962 estimate
Applications:					
Received, current year.....	175	261	171	275	275
Received, cumulative at end of year.....	887	1,148	1,319	1,594	1,869
Not suitable for planning, cumulative at end of year.....	300	315	325	335	345
Planning:					
Authorized, current year.....	96	82	120	125	80
Authorized, cumulative.....	364	446	566	691	771
Suspended or terminated, cumulative.....	71	67	96	102	107
Plans completed current year.....	70	78	86	104	74
Planning in process at end of year.....	193	199	206	225	220
Remaining to be planned at end of year.....	223	387	428	568	753
Operations:					
Authorized, current year.....	58	80	84	100	80
Authorized, cumulative.....	100	180	264	364	444
Completed, current year.....	2	3	6	15	20
Completed, cumulative.....	2	5	11	26	46
In process at end of year.....	98	175	253	338	398

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-benefits 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.

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.

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.

Explanation	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
Active projects at beginning of year and estimated completion cost.....	30	\$12,646	21	\$8,697	7	\$5,870
Deduct amounts obligated during the year for:						
(a) Projects completed during the year.....	9	154	14	758	1	59
(b) Other projects.....	—	3,795	—	2,069	—	1,483
Total, projects in progress at end of year and estimated completion cost.....	21	8,697	7	5,870	6	4,328

SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

WATERSHED PROTECTION—Continued

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 to construction costs in excess of \$250 thousand, 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 non-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: (a) approval for advance engineering and other technical assistance only, and (b) approval for construction of structural measures.

The advance engineering and technical assistance stage includes surveys, investigations, and preparation of de-

tailed 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 where acceleration of land treatment is needed.

The project construction stage begins with execution of the first project agreement for construction of works of improvement, after required easements are obtained or 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 inter-related group of structures. The agreement obligates the Government to furnish its share of the construction cost. Payments are made to the local contracting organization in accordance with the project agreement as the work progresses. Engineering and other services are provided for the preparation of contracts and inspection of construction. Technical assistance with the planning and installation of land treatment measures for watershed protection and flood prevention is continued.

The following tabulation shows the status of Public Law 566 projects with respect to approvals for advance engineering and technical assistance and for construction.

[Dollars in thousands]

Explanation	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
Projects approved for advance engineering and technical assistance (number and estimated Federal cost of completion, unless otherwise indicated):						
Projects underway at beginning of year.....	73	\$50,551	118	\$103,967	158	\$149,291
Projects initiated during the year.....	84	84,249	100	100,000	80	80,000
Subtotal.....	157	134,800	218	203,967	238	229,291
Deduct projects approved for construction during the year.....	39	28,156	60	48,000	70	70,000
Net projects approved.....	118	106,644	158	155,967	168	159,291
Deduct amounts obligated during the year for advance engineering and technical assistance.....	---	2,677	---	6,676	---	8,647
Total, projects receiving only advance engineering and technical assistance at end of year.....	118	103,967	158	149,291	168	150,644
Projects approved for construction (number and estimated cost of completion, unless otherwise indicated):						
Projects underway at beginning of year.....	102	42,349	135	55,915	180	80,967
Projects initiated during the year.....	39	28,156	60	48,000	70	70,000
Total, projects under construction during the year.....	141	70,505	195	103,915	250	150,967
Deduct amounts obligated during the year for works of improvement on:						
(a) Projects approved for construction during the year.....	---	4,930	---	9,000	---	10,500
(b) Projects completed during the year.....	6	40	15	750	20	2,038
(c) Continuing prior year projects.....	---	9,620	---	13,198	---	16,170
Total, projects under construction at end of year.....	135	55,915	180	80,967	230	122,259
Grand total: Projects in progress at end of year.....	253	159,882	338	230,258	398	272,903
Projects completed (cumulative).....	11		26		46	

The 1961 program contemplates initiation of construction on about 60 watershed projects, involving 1961 obligations of \$9 million and total Federal cost of \$48 million. The 1962 estimates provide for starting about 70 projects, with 1962 obligations of \$10.5 million and total Federal cost of \$70 million.

Uniform cost-sharing legislation is recommended which would provide that non-Federal interests should bear at least 30% of the costs of flood protection benefits provided by local projects which are authorized in the future. The value of lands, easements, and rights-of-way contributed locally would be included as part of the non-Federal share. Operation and maintenance would be a State or local responsibility.

3. *Loans and related expense.*—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. Of the 1962 estimate for Watershed protection, not to exceed \$2.5 million is to be available for such purpose together with unobligated balances of loan funds from prior years.

4. *Surveys and investigations of water resources programs.*—Current work includes participation with the Corps of Engineers in the Potomac River Basin, the Delaware River area, the upper Mississippi River area, the Bayou Bartholomew in Arkansas and Louisiana, the Arkansas River navigation project in Arkansas and Oklahoma, and the Cape Fear River Basin in North Carolina. In addition, studies are now being conducted under a cooperative arrangement with the Department of the

Interior to reappraise the direct agricultural benefits anticipated from certain participating projects in the Upper Colorado River storage project. Upon completion of certain of the studies now underway, this arrangement will be concluded. Surveys are also being made of the Yazoo-Mississippi River area in cooperation with the Mississippi State board of water commissioners; in the Tombigbee River Basin in cooperation with the Mississippi State board of water commissioners and the Alabama water resources study commission; with the Nevada department of conservation and natural resources in the Humboldt River Basin; with the Oregon State water resources board in the upper Willamette and other river basins; and with agencies of the State of Utah in the Sevier River Basin. Some cooperative assistance is being provided to the river basin study commissions for the Southeast and the Texas River areas.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts for installation of structural measures in watershed projects) are as follows: 1959, \$18,189 thousand; 1960, \$17,523 thousand; 1961, \$18,800 thousand; 1962, \$19,700 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	9,144	11,426	11,938
Positions other than permanent.....	697	936	1,051
Other personnel compensation.....	260	200	95
Total personnel compensation.....	10,101	12,562	13,084
12 Personnel benefits.....	659	926	985
21 Travel and transportation of persons.....	807	891	930
22 Transportation of things.....	80	106	111
23 Rent, communications, and utilities.....	332	350	372
24 Printing and reproduction.....	183	221	235
25 Other services.....	3,124	1,730	1,350
Services of other agencies.....	223	314	320
26 Supplies and materials.....	352	388	400
31 Equipment.....	487	500	515
41 Grants, subsidies, and contributions.....	9,119	19,031	23,800
44 Refunds.....	9	9	10
Total, Soil Conservation Service.....	25,476	37,028	42,112
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	611	693	695
Positions other than permanent.....	100	129	123
Other personnel compensation.....	6	3	3
Total personnel compensation.....	717	825	821
12 Personnel benefits.....	45	59	60
21 Travel and transportation of persons.....	79	94	89
22 Transportation of things.....	19	34	34
23 Rent, communications, and utilities.....	22	24	24
24 Printing and reproduction.....	2	3	3
25 Other services.....	134	282	177
Services of other agencies.....	32	40	35
26 Supplies and materials.....	25	53	52
31 Equipment.....	18	24	15
32 Lands and structures.....	2	2	2
33 Investments and loans.....	138	3,140	2,400
41 Grants, subsidies, and contributions.....	245	440	463
Total, allotment accounts.....	1,478	5,020	4,175
Total obligations.....	26,954	42,048	46,287

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Soil Conservation Service.....	25,476	37,028	42,112
Forest Service.....	879	1,332	1,205
Agricultural Research Service.....	313	325	293
Farmers Home Administration.....	177	3,225	2,500
Department of the Interior.....	109	138	177

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	1,666	1,964	2,087
Full-time equivalent of other positions.....	196	249	280
Average number of all employees.....	1,757	2,040	2,182
Number of employees at end of year.....	1,925	2,278	2,300
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	96	112	115
Full-time equivalent of other positions.....	25	32	31
Average number of all employees.....	120	136	136
Number of employees at end of year.....	118	143	144
Average GS grade.....	7.3	7.4	7.4
Average GS salary.....	\$5,924	\$6,423	\$6,434

FLOOD PREVENTION

For expenses necessary, in accordance with the Flood Control Act, approved June 22, 1936 (33 U.S.C. 701-709, 74 Stat. 131), as amended and supplemented, [and the Watershed Protection and Flood Prevention Act, approved August 4, 1954, as amended (16 U.S.C. 1001-1008, 74 Stat. 131),] 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] \$19,463,000, 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: *Provided further*, That not to exceed \$1,000,000, together with the unobligated balance of funds previously appropriated for loans and related expense, shall be available for such purposes.

[For an additional amount for "Flood Prevention", \$1,570,000, for the purposes of Public Law 86-468.] (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Works of improvement.....	17,034	19,242	20,463
2. Loans and related expense.....		1,570	600
Total program costs ¹	17,034	20,812	21,063
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-650		-1,600
Obligations incurred for costs of other years, net.....		3,220	
Total obligations.....	16,384	24,032	19,463

¹ Includes capital outlay as follows: 1960, \$702 thousand; 1961, \$636 thousand; 1962, \$628 thousand.

SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

FLOOD PREVENTION—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-2,846	-4,462	-----
Unobligated balance carried forward.....	4,462	-----	-----
New obligational authority (appropriation)	18,000	19,570	19,463

1. *Works of improvement.*—The Department cooperates with soil conservation districts and other local organizations in planning and installing works of improvement for flood prevention and for furthering the conservation, development, utilization, and disposal of water in the 11 watersheds authorized by the Flood Control Act of 1944. The Federal Government shares in the cost of works of improvement for flood prevention and, under recently enacted legislation (Public Law 86-468, approved May 13, 1960), for agricultural water management and fish and wildlife development features.

The Department furnishes accelerated technical assistance to landowners in the installation of land treatment measures with a view toward providing the highest feasible degree of runoff retardation, sediment control, and water management. Local sponsoring organizations must furnish all land, easements and rights-of-way, water rights, and the entire cost of works of improvement for nonagricultural water management measures, and operate and maintain all completed projects.

2. *Loans and related expense.*—Loans are made to local sponsoring organizations to help finance their share of the costs of planned works of improvement. Of the 1962 estimate for Flood prevention, not to exceed \$1 million is to be available for such purpose, together with unobligated balances of loan funds from prior years.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts for the installation of flood prevention measures) are as follows: 1959, \$5,830 thousand; 1960, \$5,180 thousand; 1961, \$8,400 thousand; 1962, \$6,800 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	4,016	4,471	4,475
Positions other than permanent.....	554	681	700
Other personnel compensation.....	125	100	70
Total personnel compensation.....	4,695	5,252	5,245
12 Personnel benefits.....	292	372	374
21 Travel and transportation of persons.....	210	271	276
22 Transportation of things.....	27	36	38
23 Rent, communications, and utilities.....	152	167	167
24 Printing and reproduction.....	51	54	55
25 Other services.....	7,834	12,675	8,951
Services of other agencies.....	172	212	200
26 Supplies and materials.....	455	484	475
31 Equipment.....	166	185	170
41 Grants, subsidies, and contributions.....	-----	380	350
44 Refunds.....	5	6	6
Total, Soil Conservation Service.....	14,059	20,094	16,307

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	737	785	790
Positions other than permanent.....	487	388	388
Other personnel compensation.....	27	21	21
Total personnel compensation.....	1,251	1,194	1,199
12 Personnel benefits.....	68	78	78
21 Travel and transportation of persons.....	31	33	33
22 Transportation of things.....	110	102	102
23 Rent, communications, and utilities.....	36	37	37
24 Printing and reproduction.....	4	1	1
25 Other services.....	162	316	105
Services of other agencies.....	349	306	306
26 Supplies and materials.....	257	229	229
31 Equipment.....	21	17	17
32 Lands and structures.....	33	40	40
33 Investments and loans.....	-----	1,570	995
41 Grants, subsidies, and contributions.....	32	50	50
Subtotal.....	2,354	3,973	3,192
Deduct quarters and subsistence charges.....	29	35	36
Total, allotment accounts.....	2,325	3,938	3,156
Total obligations.....	16,384	24,032	19,463
Obligations are distributed as follows:			
Soil Conservation Service.....	14,059	20,094	16,307
Forest Service.....	2,325	2,368	2,156
Farmers Home Administration.....	-----	1,570	1,000

Personnel Summary

SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	814	742	742
Full-time equivalent of other positions.....	169	187	191
Average number of all employees.....	925	951	955
Number of employees at end of year.....	1,051	1,009	1,009
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	142	141	141
Full-time equivalent of other positions.....	170	139	139
Average number of all employees.....	342	298	299
Number of employees at end of year.....	163	177	177
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069

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]** \$10,168,000, to remain available until expended. (5 U.S.C. 511-512; 74 Stat. 1030; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Great Plains conservation program (total program costs ¹).....	7,159	9,356	9,668
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	3,009	1,273	500
Total obligations.....	10,168	10,629	10,168

¹ Includes capital outlay as follows: 1960, \$9 thousand; 1961, \$8 thousand; 1962, \$10 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-629	-461	
Unobligated balance carried forward.....	461		
New obligational authority.....	10,000	10,168	10,168
New obligational authority:			
Appropriation.....	10,000	10,000	10,168
Proposed supplemental due to pay increases.....		168	

1. 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 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 and 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. Federal cost-sharing for constructing, enlarging, deepening or lining any individual dam, pit, or pond for irrigation water is limited to \$2,500. Furthermore, cost-sharing for conservation irrigation practices in any one contract must not exceed (1) \$2,500, or (2) one-fourth of the total Federal obligation, whichever is the larger. All producers are limited to a cost-share ceiling of \$2,500 times the number of years the contract is in force, or \$25 thousand for the maximum 10-year contract. The total cost-shares that may be paid to producers are limited to \$25 million for any one program year and \$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.

2. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders (representing primarily the uncompleted portion of contracts with farmers and ranchers for the installation of conservation practices) are as follows: 1959, \$11,218 thousand; 1960, \$14,227 thousand; 1961, \$15,500 thousand; 1962, \$16,000 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SOIL CONSERVATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	1,805	1,895	1,901
Positions other than permanent.....	110	112	113
Other personnel compensation.....	14	8	4
Total personnel compensation.....	1,929	2,015	2,018

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
SOIL CONSERVATION SERVICE—Con.			
12 Personnel benefits.....	128	156	156
21 Travel and transportation of persons.....	62	62	62
22 Transportation of things.....	9	9	9
23 Rent, communications, and utilities.....	42	42	42
24 Printing and reproduction.....	41	41	41
25 Other services.....	120	115	115
Services of other agencies.....	81	81	81
26 Supplies and materials.....	54	54	54
31 Equipment.....	5	6	6
41 Grants, subsidies, and contributions.....	7,531	7,958	7,494
44 Refunds.....	2		
Total, Soil Conservation Service.....	10,004	10,539	10,078
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	34	27	27
Positions other than permanent.....	2		
Total personnel compensation.....	36	27	27
12 Personnel benefits.....	3	3	3
21 Travel and transportation of persons.....	4	1	1
23 Rent, communications, and utilities.....	1		
24 Printing and reproduction.....	1	1	1
25 Other services.....	11	2	2
Advanced to—			
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	84	43	43
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	21	11	11
26 Supplies and materials.....	2	2	2
31 Equipment.....	1		
Total, allotment accounts.....	164	90	90
Total obligations.....	10,168	10,629	10,168
Obligations are distributed as follows:			
Soil Conservation Service.....	10,004	10,539	10,078
Forest Service.....	31	17	17
Office of Information.....	23	13	13
Agricultural Conservation Program Service.....	5	6	6
Commodity Stabilization Service.....	105	54	54

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
SOIL CONSERVATION SERVICE			
Total number of permanent positions.....	141	116	116
Full-time equivalent of other positions.....	31	29	29
Average number of all employees.....	341	330	330
Number of employees at end of year.....	182	158	158
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	7	4	4
Full-time equivalent of other positions.....	1		
Average number of all employees.....	7	4	4
Number of employees at end of year.....	6	2	2
Average GS grade.....	7.2	7.4	7.4
Average GS salary.....	\$5,967	\$6,625	\$6,653

SOIL CONSERVATION SERVICE—Continued

Current authorizations—Continued

WATER CONSERVATION AND UTILIZATION PROJECTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Development of land for irrigation (total costs—obligations).....	49	5	2
Financing:			
Unobligated balance brought forward.....	-110	-135	-130
Unobligated balance carried forward.....	135	130	128
New obligational authority (appropriation)	75		

The Service has been developing irrigation farming units for sale on the Eden Valley project in Wyoming, where the Bureau of Reclamation has constructed the water storage facility and the principal canals. Land development for irrigation has been completed in accordance with the project plan prepared cooperatively with the Bureau of Reclamation. Lands surplus to the needs of the project program are being transferred to the Department of the Interior during fiscal year 1961. Sale of three developed tracts of land has been deferred because of irrigation water shortage this year. The Eden Valley project office has been closed. A soil conservation district has been organized and staffed to furnish technical assistance and guidance to project farmers with respect to good farming practices, soil and water conservation, and efficient land use. Sufficient funds are available from prior year appropriations to provide a reserve in case of need to protect the investment of the Government in the unsold tracts pending their disposal.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	35	4	2
Positions other than permanent.....	1		
Total personnel compensation.....	36	4	2
12 Personnel benefits.....	2		
21 Travel and transportation of persons.....	1		
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	2		
25 Other services.....	1	1	
26 Supplies and materials.....	7		
Subtotal.....	50	5	2
Deduct quarters and subsistence charges.....	1		
Total obligations.....	49	5	2

Personnel Summary

Total number of permanent positions.....	7		
Average number of all employees.....	6	1	1
Number of employees at end of year.....	2	0	0

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriation, as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Conservation reserve program," Commodity Stabilization Service.
 "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Sale of maps and mosaics.....	564	593	600
2. Sale of personal property.....	492	537	550
3. Miscellaneous services to other accounts.....	1,497	1,794	1,500
Total program costs—obligations.....	2,553	2,924	2,650
Financing:			
Advances and reimbursements from—			
Other accounts.....	1,613	1,972	1,690
Non-Federal sources.....	940	952	960
Total financing.....	2,553	2,924	2,650

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 (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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,107	1,395	1,201
Positions other than permanent.....	36	39	34
Other personnel compensation.....	41	36	20
Total personnel compensation.....	1,184	1,470	1,255
12 Personnel benefits.....	70	103	92
21 Travel and transportation of persons.....	86	80	75
22 Transportation of things.....	9	14	10
23 Rent, communications, and utilities.....	68	54	47
24 Printing and reproduction.....	16	18	15
25 Other services.....	451	468	464
26 Supplies and materials.....	191	170	190
31 Equipment.....	478	547	502
Total obligations.....	2,553	2,924	2,650

Personnel Summary

Total number of permanent positions.....	76	81	77
Full-time equivalent of other positions.....	9	10	9
Average number of all employees.....	207	240	207
Number of employees at end of year.....	76	82	77
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114

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, **[\$242,000,000]** \$238,000,000, to remain available until December 31 of the next succeeding fiscal year for compliance with the program of soil-building and soil- and water-conserving practices authorized under this head in the Department of Agriculture and Farm Credit Administration Appropriation Act, **[1960] 1961**, carried out during the period July 1, **[1959] 1960**, to December 31, **[1960] 1961**, inclusive: *Provided*, That not to exceed **[\$26,832,950]** \$29,297,000 of the total sum provided under this head shall be available during the current fiscal year for administrative expenses for carrying out such program, the cost of aerial photographs, however, not to be charged to such limitation; but not more than **[\$5,458,900]** \$5,785,700 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 **[1961] 1962** 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 **[1961] 1962** program which will have the effect in any county of restricting eligibility requirements or cost-sharing on practices included in either the 1958 or the 1959 programs, unless such change shall have been recommended by the county committee and approved by the State committee: *Provided further*, That the proportion of the State fund initially allocated to any county for the **[1961] 1962** program shall not be reduced from the distribution of such funds for the 1959 program year: *Provided further*, That not to exceed 5 per centum of the allocation for the **[1961] 1962** 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 **[1961] 1962** program \$2,500,000 shall be available for technical assistance in formulating and carrying out agricultural conservation practices and \$1,000,000 shall be available for conservation practices related directly to flood prevention work in approved watersheds: *Provided further*, That such amounts shall be available for the purchase of seeds, fertilizers, lime, trees, or any other farming material, or any soil-terracing services, and making grants thereof to agricultural producers to aid them in carrying out farming practices approved by the Secretary under programs provided for herein: *Provided further*, That no part of any funds available to the Department, or any bureau, office, corporation, or other agency constituting a part of such Department, shall be used in the current fiscal year for the payment of salary or travel expenses of any person who has been convicted of violating the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939, as amended, or who has been found in accordance with the provisions of title 18, United States Code, section 1913, to have violated or attempted to violate such section which prohibits the use of Federal appropriations for the payment of personal services or other expenses designed to influence in any manner a Member of Congress to favor or oppose any legislation or appropriation by Congress except upon request of any Member or through the proper official channels. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
1. Cost-sharing assistance to farmers.....	211,954	212,800	212,500
2. Repayment of loans from Commodity Credit Corporation.....	29,501	29,202	25,500
3. Adjustment of prior year costs.....	-105		
Total direct program costs ¹	241,350	242,002	238,000
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	149		
Total direct obligations.....	241,499	242,002	238,000
Costs and obligations from amounts advanced by Commodity Credit Corporation: Cost-sharing assistance to farmers.....	38,200	37,500	17,500
Reimbursable costs—obligations:			
1. Cost-sharing assistance to farmers.....	444	444	444
Total obligations.....	280,143	279,946	255,944
Financing:			
Unobligated balance brought forward.....	-1	-2	
Advances and reimbursements from—			
Commodity Credit Corporation (loan).....	-38,200	-37,500	-17,500
Other accounts.....	-100	-140	-140
Non-Federal sources.....	-344	-304	-304
Unobligated balance carried forward.....	2		
New obligational authority (appropriation)	241,500	242,000	238,000

¹ Includes capital outlay as follows: 1960, \$21 thousand; 1961, \$10 thousand; 1962, \$10 thousand.

Note.—Reimbursements from non-Federal sources 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 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 1959 program, new or additional practices were established on 1,005,505 farms and ranches, consisting of 31% of the cropland and 31% of all farm land in the United States. The following practices were installed under the 1959 program:

[In thousands]

Dams and reservoirs.....	structures.....	61
Standard terraces.....	acres.....	633
Diversion and spreader terraces.....	miles.....	4
Permanent sod waterways.....	acres.....	42
Stripcropping.....	acres.....	411
Leveling land to conserve irrigation water and control erosion.....	acres.....	324
Drainage.....	acres.....	1,594
Tree planting.....	acres.....	372
Timber stand improvement.....	acres.....	304
Liming materials applied for soil-conserving crops.....	tons.....	15,169
All vegetative cover.....	acres.....	11,093
Control of competitive shrubs on range or pasture.....	acres.....	1,793

AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued

Current authorizations—Continued

AGRICULTURAL CONSERVATION PROGRAM—Continued

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 for 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

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate	Total
Balance of 1959 loan.....	29,500	-----	-----	29,500
1960 loan.....	9,000	29,200	-----	38,200
1961 loan.....	-----	12,000	25,500	37,500
Total.....	38,500	41,200	25,500	105,200
Interest.....	266	361	200	827

A program level of \$100 million for the 1962 crop year is proposed, a reduction of \$150 million below the 1961 program. It is anticipated that Federal cost-sharing assistance under the 1962 program will be directed toward conservation measures in each county which will contribute to less intensive use of cropland, and that assistance will be curtailed or eliminated for those conservation measures which contribute to an early increase in production. Payments for the 1962 program will be made from the 1963 appropriation.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)....	80	57	57	57
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	343	410	410	410
Total selected resources at end of year..	423	467	467	467
Selected resources at start of year (—).....	-----	—423	—467	—467
Adjustment of prior year costs and selected resources reported at start of year.....	-----	105	-----	-----
Obligations incurred for costs of other years, net...	-----	149	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE			
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	439	476	478
Positions other than permanent.....	4	4	4
Other personnel compensation.....	3	2	-----
Total personnel compensation.....	447	482	482

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE—Continued			
Direct obligations—Continued			
12 Personnel benefits.....	32	38	38
21 Travel and transportation of persons.....	30	31	31
22 Transportation of things.....	4	2	2
23 Rent, communications, and utilities.....	7	7	7
24 Printing and reproduction.....	12	10	10
25 Other services.....	7	8	8
Advanced to "Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	24	25	25
26 Supplies and materials.....	6	6	6
31 Equipment.....	3	2	2
41 Grants, subsidies, and contributions.....	213,635	211,733	207,579
Total direct obligations.....	214,206	212,344	208,190
Reimbursable obligations:			
41 Grants, subsidies, and contributions.....	38,644	37,944	17,944
Total, Agricultural Conservation Program Service.....	252,850	250,288	226,134
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	568	653	655
Positions other than permanent.....	12	11	11
Other personnel compensation.....	11	6	4
Total personnel compensation.....	591	670	670
12 Personnel benefits.....	40	54	54
21 Travel and transportation of persons.....	14	16	16
22 Transportation of things.....	18	16	16
23 Rent, communications, and utilities.....	33	30	30
24 Printing and reproduction.....	1	3	3
25 Other services.....	277	300	300
Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	4,757	5,150	5,156
"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture" (7 U.S.C. 1388).....	21,363	23,244	23,390
26 Supplies and materials.....	158	150	150
31 Equipment.....	12	25	25
41 Grants, subsidies, and contributions.....	28	-----	-----
Total, allotment accounts.....	27,292	29,658	29,810
Total obligations.....	280,143	279,946	255,944
Obligations are distributed as follows:			
Agricultural Conservation Program Service.....	252,850	250,288	226,134
Commodity Stabilization Service.....	27,163	29,518	29,670
Forest Service.....	129	140	140

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL CONSERVATION PROGRAM SERVICE			
Total number of permanent positions.....	67	66	66
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	63	63	63
Number of employees at end of year.....	71	67	67
Average GS grade.....	8.1	8.3	8.3
Average GS salary.....	\$6,977	\$7,631	\$7,668
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	124	130	130
Full-time equivalent of other positions.....	4	4	4
Average number of all employees.....	118	124	124
Number of employees at end of year.....	119	131	131
Average GS grade.....	6.4	6.5	6.6
Average GS salary.....	\$5,485	\$6,002	\$6,053

EMERGENCY CONSERVATION MEASURES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Emergency cost-sharing assistance to farmers (total costs—obligations) (object class 41).....	728	1,500	1,500
Financing:			
Unobligated balance brought forward.....	-15,856	-15,330	-13,830
Unobligated balance carried forward.....	15,330	13,830	12,330
New obligational authority (reappropriation).....	202		

Cost-sharing assistance (up to 80% of the cost of carrying out approved practices) is offered to assist and encourage farmers to rehabilitate farm lands damaged by natural disasters. Assistance is available only when, as a result of wind erosion, floods, hurricanes, or other natural disasters, new conservation problems have been created which (1) if not treated, will impair or endanger the land; (2) materially affect the productive capacity of the land; (3) represent damage which is unusual in character and, except for wind erosion, is not the type which would recur frequently in the same area; and (4) will be so costly to rehabilitate that Federal assistance is 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.

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Conservation reserve program," Commodity Stabilization Service.
 "Great Plains conservation program," Soil Conservation Service.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Proceeds from sale of equipment (total costs—obligation) (object class 31).....		1	
Financing:			
Advances and reimbursements from non-Federal sources (40 U.S.C. 481(c)).....		1	

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 \$15,000, except for two buildings to be constructed or improved at a cost not to exceed \$30,000 each, and the cost of altering any one building during the fiscal year shall not exceed \$5,000 or 5 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, **[\$16,515,000] \$18,398,000: 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 publishing 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, **[\$26,579,900] \$29,982,000**, including not to exceed \$25,000 for employment at rates not to exceed \$50 per diem, except for employment in rate cases at not to exceed \$100 per diem pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (5 U.S.C. 574), as amended by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in carrying out section 201(a) to 201(d), inclusive, of title II of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1291) and section 203(j) of the Agricultural Marketing Act of 1946.

For an additional amount for "Marketing research and service", for Marketing services, **\$1,350,000.** (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, 511-511g, 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; 74 Stat. 328, 734; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
1. Marketing research and agricultural estimates:			
(a) Marketing research.....	7,211	7,854	8,192
(b) Economic and statistical analysis.....	1,579	1,752	1,752
(c) Crop and livestock estimates.....	6,385	7,920	8,454
Total, marketing research and agricultural estimates.....	15,175	17,526	18,398
2. Marketing services:			
(a) Market news service.....	4,876	5,320	5,389
(b) Inspection, grading, classing, and standardization.....	17,145	21,025	21,051
(c) Regulatory activities.....	2,808	3,270	3,462
(d) Administration and coordination of State payments.....	75	80	80
Total, marketing services.....	24,904	29,695	29,982
Total direct program costs ¹	40,079	47,221	48,380
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	224		
Total direct obligations.....	40,303	47,221	48,380
Reimbursable costs—obligations:			
2. Marketing services:			
(b) Inspection, grading, classing, and standardization ²	3,030	3,788	3,788
Total obligations.....	43,333	51,009	52,168
Financing:			
Comparative transfers from (—) other accounts.....	-50		
Advances and reimbursements from other accounts.....	-3,030	-3,788	-3,788
Unobligated balance lapsing.....	1,164		
New obligational authority.....	41,417	47,221	48,380

¹ Includes capital outlay as follows: 1960, \$567 thousand; 1961, \$401 thousand; 1962, \$418 thousand.

² Includes capital outlay as follows: 1960, \$49 thousand; 1961, \$34 thousand; 1962, \$34 thousand.

AGRICULTURAL MARKETING SERVICE—Con.

Current authorizations—Continued

MARKETING RESEARCH AND SERVICE—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	41,417	44,445	48,380
Proposed supplemental due to pay increases.....		2,776	

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 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.

During 1960, the Service acquired at no cost property valued at an estimated \$109.5 thousand which had been declared excess by other Federal agencies and by other services of the Department of Agriculture. Such property was used primarily in lieu of purchasing new equipment.

1. *Marketing research and agricultural estimates*—(a) *Marketing research*.—This work is aimed at developing practical answers to problems encountered in moving products from the farm to the consumer. In cooperation with public and private agencies and trade groups, efforts are made to expand markets, reduce losses from waste and spoilage, and reduce marketing costs through improved marketing efficiency and organization. The work includes research at each stage of marketing, such as at assembly points, terminal or central markets, and retail markets.

	1958 actual	1959 actual	1960 actual
Individual research projects:			
Active at end of year.....	493	459	463
Completed during year.....	76	99	103
Initiated during year.....	78	77	111
Contracts for marketing research by private firms or other non-Federal agencies:			
Number negotiated during year.....	44	40	25
Number in effect, end of year.....	73	59	54
Research findings made public through:			
Marketing research reports.....	53	92	74
Articles and formal speeches.....	236	268	258
Periodic reports.....	60	80	59
Press releases.....	53	98	103

The proposed increase for 1962 would provide for continuation of and increased emphasis on research to improve the spinning, weaving and finishing qualities of cotton started in 1961 with Commodity Credit Corporation funds.

(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 informa-

tion 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 18 reports published during 1960.

(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 43 State offices serving 50 States, most of which are operated as joint State and Federal services. Cooperative arrangements with State agencies provide a considerable volume of additional data which would not be collected or made available from Federal funds. During 1960, cooperating States expended an estimated \$1.4 million of their own funds on these associated State programs. A comparison of activity data for 1959 and 1960, including work performed under cooperative arrangements, is as follows:

	1959 actual	1960 preliminary
Separate mailings of inquiry forms, average per field office.....	344	346
Total questionnaires handled, all field and D.C. offices:		
Number distributed.....	9,500,000	9,700,000
Number of returns tabulated.....	2,900,000	3,050,000
Number of objective survey contacts (measurements and interviews).....	32,700	32,200
Number of official reports issued, all offices.....	9,600	9,700
Copies of reports distributed.....	13,500,000	13,800,000
Publications distributed:		
Federal (mainly Agricultural Situation).....	3,100,000	3,100,000
State: Statistical and other.....	360,000	360,000
Special requests for information answered.....	75,000	75,000

The increase for 1962 would be used to expand to additional States and commodities the long-range program to improve the crop and livestock estimating service.

2. *Marketing services*—(a) *Market news service*.—This service provides current information on supply, movement, and prices at specific markets for practically all agricultural commodities. This day-to-day market information enables American farmers to determine where and when to sell and at what price. The information is collected and disseminated at year-round and seasonal offices maintained in more than 100 cities and towns, often with financial support and cooperation of the States. Every available means of dissemination is used—mail, press, radio, television, telephone, telegraph, bulletin boards, and trade and farm publications.

The proposed increase for 1962 would be used to improve the overall dissemination of market data by strengthening the leased wire system.

MARKET NEWS SERVICE

	1958 actual	1959 actual	1960 actual
States covered by cooperative agreement..	39	40	41
Field offices:			
Year-round.....	169	174	175
Seasonal.....	39	36	38
Buyers and sellers interviewed.....	21,734	21,742	21,567
Daily newspapers carrying reports (approximate).....	1,200	1,200	1,200
Stations broadcasting reports:			
Radio.....	1,460	1,470	1,470
Television.....	150	165	165
Mimeographed releases to growers, shippers, and others.....	28,844,077	25,733,345	24,673,455
Names on mailing list.....	302,646	295,139	273,185

(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. The inspection of poultry for wholesomeness is also carried on under this project. Approximately 63% of the total cost of this work was offset by fees and other revenue in 1960, which are shown principally under "Agricultural Marketing Service trust funds" in part III of the budget.

STANDARDIZATION ACTIVITIES

	1958 actual	1959 actual	1960 actual
Grade standards in effect.....	1,379	1,385	1,545
Number of commodities covered.....	276	277	282

INSPECTION, GRADING, AND CLASSING ACTIVITIES UNDER APPROPRIATED FUNDS

	1960 actual	1961 estimate	1962 estimate
Cotton classings by Federal employees.....number..	15,293,631	18,600,000	18,600,000
Poultry products inspection:			
Volume inspected.....1,000 lbs..	6,542,106	6,869,000	7,212,000
Grain inspections by licensees			
number.....	3,040,300	3,250,000	3,500,000
Volume inspected.....1,000 bu..	5,971,592	6,250,000	6,500,000
Tobacco auction markets.....number..	177	177	177
Volume inspected at markets			
million lbs..	1,818	1,850	1,850
Sets of buyers.....number..	240	240	240

(c) *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. Assistance is also provided to farmers and others in obtaining and maintaining equitable and reasonable transportation rates and services on farm products and supplies. The continued growth of facilities and means for transporting, storing, buying and selling results in more demand and need for protection and benefits from these activities.

The increase for 1962 would be used to provide for more effective administration of the Packers and Stockyards Act, as amended.

	1960 actual	1961 estimate	1962 estimate
Packers and Stockyards Act:			
Yards posted and subject to supervision.....	2,115	2,200	2,200
Formal proceedings requiring action.....	261	291	346
Warehouse Act:			
Number of licensed warehouses.....	1,742	1,760	1,775
Capacity of licensed warehouses:			
Grain (million bushels).....	1,188.0	1,250.0	1,300.0
Cotton (million bales).....	13.5	13.6	13.6
Average number of supervisory inspections per warehouse.....	1.99	1.90	1.80
Seed Act:			
Import actions.....	18,808	20,000	20,000
Interstate investigations:			
Completed.....	977	1,000	1,000
Pending.....	537	500	500
Seed samples tested.....	21,957	23,500	23,500
Freight rate services:			
Formal litigation.....	87	87	87
Informal negotiations.....	55	55	55
Commodities or rates affected.....	142	142	142

(d) *Administration and coordination of State payments.*—This covers the Federal 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 and Possessions." In 1960, this work was carried on in 40 States.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	1,251	1,376	1,376	1,376
Advances (payment for goods and services on order not yet received).....	5	13	13	13
Total selected resources at end of year.....	1,256	1,389	1,389	1,389
Selected resources at start of year.....		-1,256	-1,389	-1,389
Adjustment of prior year costs and selected resources reported at start of year.....		91		
Obligations incurred for costs of other years, net....		224		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	30,238	36,240	36,697
Positions other than permanent.....	1,063	1,422	1,550
Other personnel compensation.....	357	291	152
Total personnel compensation.....	31,658	37,953	38,399
Direct obligations:			
11 Personnel compensation.....	29,492	35,100	35,545
12 Personnel benefits.....	2,021	2,723	2,766
21 Travel and transportation of persons.....	2,329	2,897	3,084
22 Transportation of things.....	332	335	351
23 Rent, communications, and utilities.....	2,206	2,453	2,629
24 Printing and reproduction.....	597	616	661
25 Other services.....	1,347	1,305	1,466
Services of other agencies.....	742	827	827
26 Supplies and materials.....	573	591	632
31 Equipment.....	618	345	419
32 Lands and structures.....	41	30	
42 Insurance claims and indemnities.....	4		
Total, direct obligations.....	40,303	47,221	48,380
Reimbursable obligations:			
11 Personnel compensation.....	2,166	2,854	2,854
12 Personnel benefits.....	130	191	191
21 Travel and transportation of persons.....	275	285	285
22 Transportation of things.....	112	120	120
23 Rent, communications, and utilities.....	160	180	180
24 Printing and reproduction.....	25	27	27
25 Other services.....	8	14	14
Services of other agencies.....	19	9	9
26 Supplies and materials.....	70	71	71
31 Equipment.....	65	37	37
42 Insurance claims and indemnities.....	1		
44 Refunds.....			
Total, reimbursable obligations.....	3,030	3,788	3,788
Total obligations.....	43,333	51,009	52,168

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	7,985	6,913	7,004
Full-time equivalent of other positions.....	282	357	390
Average number of all employees.....	5,366	6,007	6,124
Number of employees at end of year.....	5,749	6,400	6,988
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,795	\$6,356	\$6,337
Average salary of ungraded positions.....	\$4,391	\$4,430	\$4,409

AGRICULTURAL MARKETING SERVICE—Con.

Current authorizations—Continued

PAYMENTS TO STATES 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)), \$1,195,000. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments for marketing service work (sec. 204(b) of the Agricultural Marketing Act of 1946) (total costs—obligations) (object class 41).....	1,195	1,195	1,195
Financing:			
New obligational authority (appropriation)....	1,195	1,195	1,195

Payments are made on a matching fund basis to State marketing agencies for carrying out specifically approved marketing service 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 money are coupled with State resources and experience to aid in the solution of the most urgent local and area marketing problems.

In 1961, with 40 States conducting 117 projects, the program is being carried on generally at the same level as in 1960. For 1962, the program level will be the same as in 1961.

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: *Provided*, That no part of this appropriation shall be used for nonfood assistance under section 5 of said Act: *Provided further*, That \$45,000,000 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. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Food assistance:			
(a) Cash payments to States.....	93,667	93,600	93,600
(b) Commodity procurement.....	57,118	59,634	59,634
2. Operating expenses.....	1,526	1,766	1,766
Total program costs ¹	152,310	155,000	155,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	239		
Total obligations.....	152,550	155,000	155,000

¹ Includes capital outlay as follows: 1960, \$8 thousand; 1961, \$8 thousand; 1962, \$8 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	1,107		
New obligational authority.....	153,657	155,000	155,000
New obligational authority:			
Appropriation.....	110,000	110,000	110,000
Transferred from "Removal of surplus agricultural commodities" (73 Stat. 173; 74 Stat. 238).....	43,657	45,000	45,000
Appropriation (adjusted):			
Current.....	110,000	110,000	110,000
Permanent.....	43,657	45,000	45,000

1. *Food assistance*, in the form of both funds and food, is provided to States and possessions 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 1960, the States contributed to this program \$777 million, most of which came from payments by children. This was far in excess of 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. Transfers are made to this appropriation from the fund authorized under section 32 of the Act of August 24, 1935, as amended, for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. 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, depends upon market conditions and the need for the Federal Government to remove surpluses.

The program in 1960 during the peak month provided lunches to over 31% of the approximately 40.7 million school children in the country. The number of type A lunches served, which must meet established nutritional requirements, increased approximately 7% over 1959. Participation in the program in December 1959 reached 12.8 million children in 62,300 schools and an appreciable increase in number of participating children is expected in 1961 and 1962.

During 1960 about \$672 million worth of agricultural commodities were used in the program. About 20% of this amount represented commodities contributed under section 6 of the School Lunch Act and the Federal surplus removal and price support programs.

Participation in the program from 1959 through 1962 is as follows:

	1959 actual	1960 prelim- inary	1961 estimate	1962 estimate
Number of schools (month of peak participation).....	61,442	62,975	63,000	63,500
Number of school children (peak-thousands).....	12,053	12,839	13,500	14,200
Number of meals served (millions)....	2,009	2,144	2,272	2,375

Financing of the program in the last 3 years was as follows (in millions of dollars):

	1958	1959	1960
State and local contributions (total, including payments by children).....	634.9	708.8	1,777.2
Federal appropriation (National School Lunch Act):			
(a) Cash payments.....	83.7	93.8	93.7
(b) Commodity distribution (sec. 6).....	14.8	42.7	61.1
Surplus commodity distribution.....	76.0	66.8	70.9
Special milk program.....	65.1	72.4	78.2
Federal contributions.....	239.6	275.7	303.9
Total, all contributions.....	874.5	984.5	1,081.1

¹ Preliminary.

2. *Operating expenses* consist of furnishing administrative and technical assistance to State agencies and participating schools; apportioning cash to States, Guam, Puerto Rico, and the Virgin Islands; administering directly the program for over 2,700 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.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$28 thousand; 1959 (adjusted), —\$230 thousand; 1960, \$9 thousand; 1961, \$9 thousand; 1962, \$9 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL MARKETING SERVICE			
11 Personnel compensation:			
Permanent positions.....	987	1,136	1,136
Positions other than permanent.....	3	6	6
Other personnel compensation.....	11	8	8
Total personnel compensation.....	1,001	1,150	1,150
12 Personnel benefits.....	67	93	93
21 Travel and transportation of persons.....	107	120	120
22 Transportation of things.....	2	3	3
23 Rent, communications, and utilities.....	50	48	48
24 Printing and reproduction.....	18	18	18
25 Other services.....	12	12	12
Services of other agencies.....	36	40	40
26 Supplies and materials.....	8	9	9
Grants of commodities to States.....	57,280	59,634	59,634
31 Equipment.....	9	9	9
41 Grants, subsidies, and contributions (cash payments).....	93,743	93,600	93,600
Total, Agricultural Marketing Service.....	152,333	154,736	154,736
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	185	213	214
Other personnel compensation.....	1	1	1
Total personnel compensation.....	186	214	214
12 Personnel benefits.....	13	15	15
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	13	27	27
24 Printing and reproduction.....	1	2	2

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO COMMODITY STABILIZATION SERVICE—Continued			
25 Other services.....	1	2	2
26 Supplies and materials.....	2	2	2
Total, Commodity Stabilization Service.....	217	264	264
Total obligations.....	152,550	155,000	155,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	156	173	173
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	153	167	167
Number of employees at end of year.....	130	167	167
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,795	\$6,356	\$6,337
Average salary of ungraded positions.....	\$4,391	\$4,430	\$4,409
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions.....	35	40	40
Average number of all employees.....	35	40	40
Number of employees at end of year.....	11	11	11
Average GS grade.....	6.3	6.4	6.5
Average GS salary.....	\$5,470	\$5,994	\$6,052

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:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Commodity Credit Corporation fund."
 "Commodity Credit Corporation, administrative expenses."
 "Mutual security—economic," funds appropriated to the President.

Permanent authorizations:

PERISHABLE AGRICULTURAL COMMODITIES ACT FUND

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Licensing dealers and handling complaints:			
Direct costs.....	722	829	829
Reimbursable costs.....	25	25	25
Total program costs—obligations ¹	747	854	854
Financing:			
Unobligated balance brought forward.....	—388	—345	—186
Advanced from "Marketing research and service" (7 U.S.C. 499e).....	—25	—25	—25
Unobligated balance carried forward.....	345	186	27
New obligational authority (appropriation).....	679	670	670

¹ Includes capital outlay as follows: 1960, \$1 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

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 intended to assure equitable treatment to farmers and others in the marketing of fresh and frozen

AGRICULTURAL MARKETING SERVICE—Con.**Permanent authorizations—Continued****PERISHABLE AGRICULTURAL COMMODITIES ACT FUND—Continued**

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 (a) informal settlements agreeable to both parties, (b) formal decisions involving payments of reparation awards between parties, and (c) suspension or revocation of license and/or publication of the facts. Approximately 25,000 licenses were in effect on June 30, 1960, and it is expected that licenses will remain at that level through 1962. Formal complaints have continued to increase and more than 2,400 are expected during 1962. Emphasis on assisting growers and shippers to correct or prevent misbranding of produce will tend to reduce the number of potential complaints.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	590	677	677
Positions other than permanent.....	8	7	7
Other personnel compensation.....	5	3	
Total personnel compensation.....	603	687	684
12 Personnel benefits.....	16	31	31
21 Travel and transportation of persons.....	48	53	56
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	27	30	30
24 Printing and reproduction.....	12	12	12
25 Other services.....	6	6	6
26 Supplies and materials.....	8	8	8
31 Equipment.....	1	1	1
Total direct obligations.....	722	829	829
Reimbursable obligations:			
12 Personnel benefits.....	25	25	25
Total obligations.....	747	854	854

Personnel Summary

Total number of permanent positions.....	137	121	121
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	105	112	112
Number of employees at end of year.....	127	125	125
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,795	\$6,356	\$6,337
Average salary of ungraded positions.....	\$4,391	\$4,430	\$4,409

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Commodity program payments:			
(a) Direct purchases.....	61,636	105,173	104,933
(b) Diversion payments.....	153		
(c) Export payments.....	10,874		
(d) Production payments.....	7,543		
2. Surplus removal operating expenses.....	2,419	2,797	2,882
3. Marketing agreements and orders.....	1,772	2,030	2,185
Total program costs ¹	84,397	110,000	110,000

¹ Includes capital outlay as follows: 1960, \$34 thousand; 1961, \$35 thousand; 1962, \$35 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	25,364		
Total obligations.....	109,761	110,000	110,000
Financing:			
Unobligated balance brought forward.....	—300,000	—300,000	—300,000
Recovery of prior year obligations.....	—681		
Unobligated balance carried forward.....	300,000	300,000	300,000
Unobligated balance lapsing.....	91,222	156,823	174,383
New obligational authority.....	200,302	266,823	284,383
New obligational authority:			
Appropriation.....	251,446	319,961	337,500
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. 713-c, as amended by act of Aug. 8, 1956).....	—4,994	—5,321	—5,000
"School lunch program" (73 Stat. 173; 74 Stat. 238).....	—43,657	—45,000	—45,000
"Salaries and expenses," Foreign Agricultural Service (73 Stat. 173; 74 Stat. 238).....	—2,493	—2,639	—3,117
Appropriation (adjusted).....	200,302	267,001	284,383
Proposed transfer for pay increases to "Salaries and expenses," Foreign Agricultural Service.....		—178	

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 the 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. As provided in recent appropriation acts, transfers have been made from this fund to the school lunch program for the purchase and distribution of agricultural commodities and other foods pursuant to section 6 of the National School Lunch Act. Section 32 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* include 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 by-products and new uses, and sell them at prices comparable to competing products, thus creating new markets for

surplus commodities; export payments which enable exporters to purchase surplus commodities on the domestic market and sell them on the world market at competitive world prices; and production payments which help to reestablish farmers' purchasing power. During the past 2 years assistance under these programs was given to the following commodity groups (in millions of dollars):

	1959	1960
Dairy products.....	101.1	51.9
Eggs and poultry.....	6.4	24.1
Fruits.....	.1	7.8
Grains.....		10.8
Livestock.....		8.0
Peanut butter.....	1.1	2.4
Vegetables.....	7.6	.2
Miscellaneous.....	.3	.3
Total.....	116.6	105.5

The use of section 32 program funds is contingent upon economic conditions. The estimates for both 1961 and 1962 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 will be taken to use additional available funds for their removal or diversion as conditions might warrant.

2. *Surplus removal operating expenses* occur 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 1960, including those under section 6 of the National School Lunch Act, is summarized below (in millions):

Distribution	Number of recipients (peak month)	Value of commodities distributed	Pounds of commodities distributed
By recipients:			
School children.....	14.6	\$132.0	523.5
Needy persons.....	4.3	59.4	525.9
Persons in charitable institutions.....	1.5	15.7	127.9
Foreign countries: 91.....		148.9	1,862.4
Total.....		356.0	3,039.7
By program:			
Section 32.....		62.4	178.1
Donation by Commodity Credit Corporation under section 416.....		232.5	2,602.5
Section 6, National School Lunch Act.....		61.1	259.1
Total.....		356.0	3,039.7

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 1960 the monthly plentiful foods list contained an average of 10 foods, and 10 National and 24 area, State, and local drives were conducted.

3. *Marketing agreements and orders* are put into effect upon request of producers or handlers after hearings and 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, 1960, there were 80 orders

in effect for milk and 38 covering tree fruits, tree nuts, and vegetables.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	1,536	9,443	-----	-----
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	5,550	22,340	31,783	31,783
Total selected resources at end of year.....	7,086	31,783	31,783	31,783
Selected resources at start of year (—).....		–7,086	–31,783	–31,783
Adjustment of prior year costs and selected resources reported at start of year.....		667	-----	-----
Obligations incurred for costs of other years, net.....		25,364	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL MARKETING SERVICE			
11 Personnel compensation:			
Permanent positions.....	2,980	3,436	3,628
Positions other than permanent.....	11	15	15
Other personnel compensation.....	29	15	16
Total personnel compensation.....	3,020	3,466	3,659
12 Personnel benefits.....	206	264	279
21 Travel and transportation of persons.....	274	287	302
22 Transportation of things.....	11	13	14
23 Rent, communications, and utilities.....	120	120	125
24 Printing and reproduction.....	41	43	46
25 Other services.....	63	54	54
Services of other agencies.....	10	9	9
26 Supplies and materials.....	31	34	37
Grants of commodities to States.....	35,248	39,273	99,933
31 Equipment.....	34	24	29
41 Grants, subsidies, and contributions (commodity program payments).....	7,543	2,400	-----
Total, Agricultural Marketing Service.....	46,601	45,987	104,487
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
11 Personnel compensation:			
Permanent positions.....	313	339	340
Other personnel compensation.....	3	1	-----
Total personnel compensation.....	316	340	340
12 Personnel benefits.....	22	25	25
21 Travel and transportation of persons.....	9	11	10
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	45	45	46
24 Printing and reproduction.....	2	4	4
25 Other services.....	2	2	2
Advanced to—			
"Administrative expenses, sec. 392 Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	9	38	38
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	13	43	43
26 Supplies and materials.....	4	4	4
Grants of commodities to States.....	51,863	58,500	-----
41 Grants, subsidies, and contributions (commodity program payments).....	10,874	5,000	5,000
Total, Commodity Stabilization Service.....	63,160	64,013	5,513
Total obligations.....	109,761	110,000	110,000

AGRICULTURAL MARKETING SERVICE—Con.

Permanent authorizations—Continued

REMOVAL OF SURPLUS AGRICULTURAL COMMODITIES—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....	527	508	548
Full-time equivalent of other positions.....	3	4	4
Average number of all employees.....	433	472	507
Number of employees at end of year.....	450	487	523
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,795	\$6,356	\$6,337
Average salary of ungraded positions.....	\$4,391	\$4,430	\$4,409
ALLOCATION TO COMMODITY STABILIZATION SERVICE			
Total number of permanent positions.....	75	80	78
Average number of all employees.....	56	60	58
Number of employees at end of year.....	73	37	50
Average GS grade.....	6.3	6.4	6.5
Average GS salary.....	\$5,470	\$5,994	\$6,052

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Statistical and tabulating services:			
Department of Agriculture.....	91	130	130
Other Federal agencies.....	73	67	67
2. Market news service:			
Department of Agriculture.....	2	1	1
State agencies under cooperative agreement.....	199	205	205
3. Inspection, grading, classing, and standardization:			
Department of Agriculture.....	75	41	41
Other Federal agencies.....	8	8	8
Non-Federal sources.....	1,504	1,992	1,992
4. Administration of special milk program.....	599		
5. Wool marketing agreements.....	7	10	10
6. Research on cotton quality evaluation.....		250	
7. Storage research on Commodity Credit Corporation owned grains.....	98	40	40
8. Other services relating to programs administered by Commodity Stabilization Service.....	114	206	206
9. Miscellaneous services to other accounts.....	47	48	48
10. Prior year advances returned.....	42	14	
Total program costs ¹	2,859	3,012	2,748
11. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-7		
Total obligations.....	2,852	3,012	2,748
Financing:			
Unobligated balance brought forward.....	17	14	
Advances and reimbursements from—			
Other accounts.....	1,133	793	543
Non-Federal sources ²	1,716	2,205	2,205

¹ Includes capital outlay as follows: 1960, \$14 thousand; 1961, \$15 thousand; 1962, \$17 thousand.

² Reimbursements from non-Federal sources above include amounts 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); from sale of photographic slides (7 U.S.C. 1387) and personal property (40 U.S.C. 481(c)); for overtime and holiday work performed at poultry processing plants and in connection with appeals inspections on grain (21 U.S.C. 468; 7 U.S.C. 78); from refund of terminal leave payments (5 U.S.C. 61b); from jury fees (5 U.S.C. 30p); and from importers in connection with reconditioning seed (7 U.S.C. 1582(a)). 1960 amounts exclude \$116 thousand of unfilled orders from other accounts at end of year which will become reimbursements of a subsequent year.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward.....	-14		
Total financing.....	2,852	3,012	2,748

11. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5 thousand; 1959 (adjusted), \$8 thousand; 1960, \$1 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,385	993	996
Positions other than permanent.....	1	12	12
Other personnel compensation.....	1,027	1,394	1,391
Total personnel compensation.....	2,413	2,399	2,399
12 Personnel benefits.....	66	62	62
21 Travel and transportation of persons.....	122	79	79
22 Transportation of things.....	4	11	11
23 Rent, communications, and utilities.....	136	101	101
24 Printing and reproduction.....	7	7	7
25 Other services.....	21	264	14
Services of other agencies.....	2	29	29
26 Supplies and materials.....	28	24	24
31 Equipment.....	11	22	22
44 Refunds.....	42	14	
Total obligations.....	2,852	3,012	2,748

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	236	161	161
Full-time equivalent of other positions.....		2	2
Average number of all employees.....	231	158	158
Number of employees at end of year.....	161	123	123
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,795	\$6,356	\$6,337
Average salary of ungraded positions.....	\$4,391	\$4,430	\$4,409

Proposed for later transmission:

SPECIAL MILK PROGRAM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Special milk program (total costs—obligations).....			95,000
Financing:			
New obligational authority (proposed supplemental appropriation).....			95,000

Under proposed legislation, 1962.—The current authority for the special milk program expires June 30, 1961. The program has been financed with funds advanced from the Commodity Credit Corporation. Pending results of an evaluation of this program, \$95 million is recommended to provide for a program in 1962 through a regular annual appropriation. The primary objective for this program is to increase the consumption of fluid milk. Funds will be used to provide assistance in the form of reimbursement

payments to eligible schools and child care institutions and for the necessary Federal administrative costs.

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), *market development activities abroad*, 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), **[\$4,487,000]** \$13,686,000: *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 **[\$2,539,000]** \$3,117,000 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].

[For an additional amount for "Salaries and Expenses", \$137,500; and in addition, \$100,000 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.] (5 U.S.C. 511-512; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$8,893 thousand for activities previously carried under "Salaries and expenses (special foreign currency program)," Foreign Agricultural Service. The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Analysis of foreign agriculture and trade.....	1,249	1,472	1,630
2. Agricultural attachés.....	2,643	3,384	3,463
3. Foreign market promotion.....	4,565	8,710	12,321
4. Import controls.....	241	264	264
Total program costs.....	8,698	13,830	17,678
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)			—875
Obligations incurred for costs of other years, net.....	2,915	7,715	
Total obligations.....	11,613	21,545	16,803
Financing:			
Comparative transfers from other accounts.....	—5,622	—13,872	
Unobligated balance lapsing.....	20		
New obligational authority.....	6,011	7,673	16,803
New obligational authority:			
Appropriation.....	3,518	4,624	13,686
Transferred from "Removal of surplus agricultural commodities" (74 Stat. 238).....	2,493	2,639	3,117
Appropriation (adjusted):			
Current.....	3,518	4,624	13,686
Permanent.....	2,493	2,639	3,117
Proposed transfer for pay increases from "Removal of surplus agricultural commodities".....		178	
Proposed supplemental due to pay increases.....		232	

The Foreign Agricultural Service administers programs and policies relating to foreign agriculture. It provides information and assistance as guides in the planning of production and marketing of U.S. agricultural commodities and helps smooth the channels through which exports move.

1. *Analysis of foreign agriculture and trade.*—Analyses are made of world trends in foreign agricultural production, trade, price, finance, marketing, consumption, competition, commercial, and trade policies, and economic policies of foreign governments, as such trends affect U.S. foreign agricultural trade and the domestic economy. The Service directs and coordinates Department participation in the formulation of trade programs and agreements to stabilize and expand world trade in American agricultural products, and to reduce restrictive tariff and trade practices against import of American agricultural commodities. Recommendations for the departmental positions on trade agreements and international commodity agreements are formulated. Continuous review is made of the trade regulations and financial conditions of signatories to the General Agreement on Tariffs and Trade as these factors relate to American farm products. Policies, programs, positions, and standards of participation in public and private international organizations are developed.

2. *Agricultural attachés.*—A worldwide agricultural attaché program is conducted by the Department. Assistance is provided in development of markets abroad for U.S. agricultural commodities. A comprehensive schedule of foreign agricultural market and trade reporting is maintained to meet the needs of the American agricultural industry.

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 U.S. farm products; (c) assisting domestic trade representatives in negotiations with foreign government officials, importers, and consumers, and bringing together American exporters and foreign importers under conditions favorable to trade; (d) developing agreements with foreign countries for sales of U.S. agricultural commodities under title I of Public Law 480, and followup on the shipments of those commodities; and (e) directing and financing the operation of market development projects for agricultural products. In 1962, funds provided under foreign market promotion include the dollars required in countries where the only foreign currencies available to the United States are needed, and may be used, to meet the normal requirements of other agencies. Funds for programs in countries where the United States has "excess" currencies or currencies which are "restricted" in their use are included in the appropriation Salaries and expenses (special foreign currency program).

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 the fiscal year ending June 30, 1960, investigations were conducted in 10 commodities and 4 recommendations were submitted to the President or the Tariff Commission. Under import

FOREIGN AGRICULTURAL SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

controls for dairy products, a total of 1,899 regular licenses for imports of cheese were issued and 175 regular licenses for manufactured dairy products other than cheese.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	2,502	4,369	12,080	11,270
Advances (payment for goods and services on order not yet received).....	301	1,261	1,265	1,200
Total selected resources at end of year.....	2,803	5,630	13,345	12,470
Selected resources at start of year (—).....		-2,803	-5,630	-13,345
Adjustment of selected resources reported at start of year.....		88		
Costs financed from obligations of other years, net (—).....				-875
Obligations incurred for costs of other years, net.....		2,915	7,715	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,816	5,354	5,518
Positions other than permanent.....	32	34	34
Other personnel compensation.....	69	66	46
Total personnel compensation.....	4,917	5,454	5,598
12 Personnel benefits.....	499	626	638
21 Travel and transportation of persons.....	508	905	741
22 Transportation of things.....	133	210	204
23 Rent, communications, and utilities.....	147	187	193
24 Printing and reproduction.....	125	159	166
25 Other services.....	4,355	12,554	8,226
Services of other agencies.....	416	896	822
26 Supplies and materials.....	39	53	49
31 Equipment.....	41	76	81
Total, Foreign Agricultural Service.....	11,180	21,120	16,718
ALLOCATION TO DEPARTMENT OF COMMERCE			
21 Travel and transportation of persons.....	3	5	4
22 Transportation of things.....	10	9	2
23 Rent, communications, and utilities.....	83	65	18
25 Other services.....	323	336	57
26 Supplies and materials.....	8	6	3
31 Equipment.....	6	4	1
Total, Department of Commerce.....	433	425	85
Total obligations.....	11,613	21,545	16,803

Personnel Summary

Total number of permanent positions.....	732	746	763
Full-time equivalent of other positions.....	9	9	9
Average number of all employees.....	703	724	741
Number of employees at end of year.....	712	736	753
Average GS grade.....	9.3	9.3	9.3
Average GS salary.....	\$7,695	\$8,245	\$8,239
Average salary of ungraded positions.....	\$2,708	\$2,863	\$2,930

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes of market development activities under section 104(a) of that Act, \$13,621,000, and for the purposes of section 104(m) of that Act, relating to agricultural and horticultural fair participation and related activities, \$1,000,000] \$3,444,000, to remain available until expended: *Provided*, That [the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made available to the Foreign Agricultural Service for the foregoing purposes of such sections 104 (a) and (m) is appropriated as of that date and shall be merged with this appropriation: *Provided further*, That funds appropriated herein shall be used to purchase such foreign currencies as the Department determines are needed and can be used most effectively to carry out the purposes of this paragraph, and such foreign currencies shall, pursuant to the provisions of section 104(a), be set aside for sale to the Department before foreign currencies which accrue under said title I are made available for other United States uses] *this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such currencies are excess to the normal requirements of the United States.* (Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$8,893 thousand for activities transferred in the estimates to Salaries and expenses, Foreign Agricultural Service. The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Market development projects.....	1,204	1,409	2,314
2. Agricultural attachés.....	303		
3. Travel of U.S. agricultural specialists abroad.....	58		
Total program costs.....	1,565	1,409	2,314
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	315	1,798	1,130
Total obligations.....	1,880	3,207	3,444
Financing:			
Comparative transfers to other accounts.....	6,843	14,923	
Unobligated balance brought forward.....	-6,905	-3,509	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	527		
Unobligated balance carried forward.....	3,509		
Unobligated balance lapsing.....	224		
Authorization to expend foreign currency receipts (net of appropriation to cover balances as of June 30, 1960).....	5,475		
New obligational authority (appropriation)	11,553	14,621	3,444

Note.—The gross foreign currency authorization in 1960 was \$6,078 thousand. The schedule above covers foreign currency authorizations for 1960. The appropriation for 1960 was equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 and 1962 relate to appropriations.

1. *Market development projects.*—Foreign currencies generated by the sale of surplus agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, are used under the provisions of section 104(a) by the Foreign Agricultural Service to develop new foreign markets and expand existing markets for U.S. agricultural commodities, including cotton, dairy products, fats and oils, grain, feed, livestock and meat, poultry, fruits and vegetables, and tobacco. The type of market development projects being carried out include sales promotion campaigns, trade fairs and exhibits, nutrition demonstrations, and market analyses. In 1962 this appropriation will be limited to

dollar funds to purchase only those currencies determined to be excess to the normal requirements of the United States and those which by the terms of the sales agreements are limited to specific uses. Dollar funds for use in other countries are included in the appropriation "Salaries and expenses."

2. *Agricultural attachés.*—Foreign currencies were used in 1960 to pay certain costs of the agricultural attaché program. Foreign currencies are not being used for attaché program costs in 1961, nor are foreign currencies being requested for that purpose in 1962.

3. *Travel of U.S. agricultural specialists abroad.*—Foreign currencies were used in 1960, pursuant to section 104(f) of the Agricultural Trade Development and Assistance Act of 1954, as amended, to finance the travel of U.S. agricultural specialists to the U.S.S.R. under the cultural, technical, and educational exchange agreement between the two countries. Unexpended balances under section 104(f) were not covered by the 1960 appropriation.

Note.—Responsibility for participation in agricultural and horticultural exhibitions, for foreign policy reasons, has recently been transferred by Executive Order from the Department of Agriculture to the United States Information Agency.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	345	631	2,235	3,400
Advances (payment for goods and services on order not yet received).....	12	41	235	200
Total selected resources at end of year.....	357	672	2,470	3,600
Selected resources at start of year (—).....	—357	—672	—2,470	
Obligations incurred for costs of other years, net.....		315	1,798	1,130

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
FOREIGN AGRICULTURAL SERVICE			
11 Personnel compensation: Permanent positions.....	35	34	34
12 Personnel benefits.....	17	1	1
21 Travel and transportation of persons.....	107	81	72
22 Transportation of things.....	2	6	5
23 Rent, communications, and utilities.....	12	13	11
24 Printing and reproduction.....		3	2
25 Other services.....	1,053	2,997	3,222
Services of other agencies.....	365	44	43
26 Supplies and materials.....	5	3	3
31 Equipment.....		1	1
Total, Foreign Agricultural Service.....	1,596	3,183	3,394
ALLOCATION TO DEPARTMENT OF COMMERCE			
21 Travel and transportation of persons.....			2
22 Transportation of things.....	10	1	1
23 Rent, communications, and utilities.....	89	5	9
25 Other services.....	171	16	36
26 Supplies and materials.....	8	1	2
31 Equipment.....	6	1	
Total, Department of Commerce.....	284	24	50
Total obligations.....	1,880	3,207	3,444

Personnel Summary

Total number of permanent positions.....	19	18	18
Full-time equivalent of other positions.....	1	1	1

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	18.0	17.0	17.0
Number of employees at end of year.....	18	18	18
Average salary of ungraded positions.....	\$1,831	\$1,889	\$1,924

Analysis of Foreign Currency Expenditures (in thousands of dollars)

Obligated balance brought forward.....	6,645	26	
Obligations incurred during year.....	8,723		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	—82		
Obligated balances carried forward under sec. 104(f).....	—26		
Obligated balance transferred to appropriation.....	—8,044		
Expenditures.....	7,216	26	

Status of Unfunded Allocations (in thousands of dollars)

Unfunded balance brought forward.....	3,285		
Allocations.....	6,078		
Unfunded balance expiring or lapsing.....	—124		
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	—458		
Unfunded balance appropriated.....	—351		
Transfers into agency account.....	8,430		

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—economic," funds appropriated to the President.
 "President's special international program," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Commodity Credit Corporation representatives for sales, barter, and stockpiling.....	51	52	52
2. Sale of personal property.....	9		
3. Miscellaneous service to other accounts.....	156	172	175
Total program costs.....	216	224	227
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	4		
Total obligations.....	220	224	227
Financing:			
Advances and reimbursements from—			
Other accounts.....	211	224	227
Non-Federal sources (40 U.S.C. 481(c)).....	9		
Total financing.....	220	224	227

Note.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4 thousand; 1959 (adjusted), —\$4 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	161	178	182
Positions other than permanent.....	1		
Other personnel compensation.....	2	1	
Total personnel compensation.....	164	179	182

FOREIGN AGRICULTURAL SERVICE—Continued**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	14	17	17
21 Travel and transportation of persons.....	11	4	4
23 Rent, communications, and utilities.....	2	2	2
24 Printing and reproduction.....	2	2	2
25 Other services.....	4	4	4
Services of other agencies.....	13	15	15
26 Supplies and materials.....	1	1	1
31 Equipment.....	9		
Total obligations.....	220	224	227

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	22	22	22
Average number of all employees.....	24	24	24
Number of employees at end of year.....	24	24	24
Average GS grade.....	9.6	9.8	9.8
Average GS salary.....	\$7,562	\$8,303	\$8,443
Average salary of ungraded positions.....	\$2,436	\$2,815	\$2,815

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), **[\$940,000]** \$1,007,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Licensing and auditing of brokerage houses.....	246	269	269
2. Supervision of futures trading.....	460	503	520
3. Investigations.....	180	218	218
Total program costs ¹	886	990	1,007
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2		
Total obligations.....	888	990	1,007
Financing:			
Unobligated balance lapsing.....	21		
New obligational authority.....	910	990	1,007
New obligational authority:			
Appropriation.....	910	940	1,007
Proposed supplemental due to pay increases.....		50	

¹ Includes capital outlay as follows: 1960, \$4 thousand; 1961, \$3 thousand; 1962, \$3 thousand.

The major objectives of the Commodity Exchange Authority are to maintain fair and competitive pricing in the commodity futures markets by preventing manipulation and other abusive trading practices. Enforcement of the Commodity Exchange Act requires supervision over fu-

tures trading in 19 commodities on 16 exchanges currently designated as contract markets. Transactions on contract markets were estimated at 7.4 million in 1960, and the value of trading approximately \$26.4 billion, compared to an estimated 7.1 million transactions with a value of approximately \$27 billion in 1959.

1. *Licensing and auditing of brokerage houses.*—This consists of (a) prevention of the misuse of customers' funds by the analysis of financial statements of futures commission merchants and the periodic audits of their books and records; and (b) annual registration of futures commission merchants and floor brokers. The 1960 audits revealed that customers had to their credit \$80 million required to be segregated from the funds of the carrying brokers.

AUDITS AND REGISTRATIONS

	1960 actual	1961 estimate	1962 estimate
Audit of customers' segregated funds.....	563	575	580
Accounts examined.....	33,531	34,000	34,200
Financial statements examined.....	483	500	500
Futures commission merchants registered.....	483	490	500
Floor brokers registered.....	739	750	775

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 1960, position surveys covered 9,278 traders.

REPORTS TABULATED AND ANALYZED

	1960 actual	1961 estimate	1962 estimate
Daily trading volume and open contracts.....	224,079	225,000	225,000
Daily and weekly reports on large traders.....	296,775	300,000	300,000
Delivery notices.....	45,122	50,000	50,000

3. *Investigations.*—Apparent or alleged violations of the law and regulations are investigated, and trade practice surveys are made to discover violations. The Authority also prepares and presents evidence of violations in administrative hearings and judicial proceedings. Exchange rules and regulations are reviewed to insure that legal requirements are met.

INVESTIGATIONS, TRANSACTIONS, AND PROCEEDINGS

	1960 actual	1961 estimate	1962 estimate
Compliance investigations completed.....	31	35	35
Trade practice investigations completed.....	2	4	4
Number of transactions examined.....	5,000	50,000	50,000
Criminal prosecutions instituted.....	0	1	1
Administrative proceedings instituted.....	4	5	5

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2 thousand; 1960, \$4 thousand; 1961, \$4 thousand; 1962, \$4 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	755	847	866
Positions other than permanent.....	3		
Other personnel compensation.....	6	4	1
Total personnel compensation.....	764	851	867
12 Personnel benefits.....	52	65	66
21 Travel and transportation of persons.....	12	11	11
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	31	32	32
24 Printing and reproduction.....	11	11	11
25 Other services.....	4	7	7
Services of other agencies.....	2	2	2

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	5	6	6
31 Equipment.....	6	4	4
Total obligations.....	888	990	1,007

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	127	134	134
Full-time equivalent of other positions.....	1		
Average number of all employees.....	118	124	126
Number of employees at end of year.....	119	122	124
Average GS grade.....	7.2	7.2	7.2
Average GS salary.....	\$6,207	\$6,633	\$6,727

COMMODITY STABILIZATION SERVICE

Current authorizations:

ACREAGE ALLOTMENTS AND MARKETING QUOTAS

For necessary expenses to formulate and carry out acreage allotment and marketing quota programs pursuant to provisions of title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301-1393), **[\$40,135,000]** \$44,833,000, of which not more than **[\$6,934,400]** \$7,359,000 shall be transferred to the appropriation account "Administrative expenses, section 392, Agricultural Adjustment Act of 1938". (74 Stat. 4, 15, 39, 41-42, 258, 295; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acreage allotments and marketing quotas (total program costs).....	40,492	43,598	44,833
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	12		
Total obligations.....	40,503	43,598	44,833
Financing:			
Unobligated balance lapsing.....	32		
New obligational authority.....	40,535	43,598	44,833
New obligational authority:			
Appropriation.....	40,535	40,135	44,833
Proposed supplemental due to pay increases.....		3,463	

Acreage allotment and marketing quota programs are designed to keep the production and marketing of cotton, wheat, rice, tobacco, and peanuts 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 designated 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 proclaimed for the 1961 crops of wheat, cotton, peanuts, Flue-cured tobacco, and rice. Acreage allotments and marketing quotas will be proclaimed on the 1961 crops of the other kinds of quota tobaccos, not later than February 1, 1961. It is assumed that marketing quotas will also be in effect on the 1962 crops of these basic commodities. In order to maintain a carryover of upland cotton on August 1, 1962, at about the same level as for August 1, 1961, a national acreage allotment of 18,458,424 acres was proclaimed for the 1961 crop of upland cotton.

Under existing legislation, the Choice A and B plans, which were available to cotton producers in 1959 and 1960, are not applicable to the 1961 cotton crop.

Workload factors in the fiscal years 1961 and 1962 will consist primarily of the following:

	Tobacco	Peanuts	Wheat	Cotton	Rice
Estimated number of allotment farms.....	580,258	118,053	1,840,929	960,282	16,689
Appeals.....	15,000	1,200	45,400	19,500	450
Performance checking (percent of crop farms measured):					
Fiscal year 1961:					
1960 crop.....	51.3	19.1	2.9	26.8	27.4
1961 crop.....	48.7	80.9	97.1	68.3	72.6
Fiscal year 1962:					
1961 crop.....	51.3	19.1	2.9	31.7	27.4
1962 crop.....	48.7	80.9	97.1	75.0	72.6
Referendums:					
Fiscal year 1961.....	115	(1)	2,671	1,092	157
Fiscal year 1962.....	694	(1)	2,671	1,092	157

1 Quotas have been approved through the 1962 marketing year.

2. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$31 thousand; 1959 (adjusted), \$2 thousand; 1960, \$14 thousand; 1961, \$14 thousand; 1962, \$14 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	171	247	247
25 Other services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	6,651	7,351	7,359
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	33,681	36,000	37,227
Total obligations.....	40,503	43,598	44,833

SUGAR ACT PROGRAM

For necessary expenses to carry into effect the provisions of the Sugar Act of 1948 (7 U.S.C. 1101-1161), **[\$74,500,000]** \$81,314,000, 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 **[\$2,307,000]** \$2,362,000. (74 Stat. 330-331; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to sugar producers:			
(a) Continental beet area.....	39,126	40,243	44,348
(b) Continental cane area.....	7,893	8,857	9,914
(c) Offshore cane area.....	22,182	22,920	24,690

COMMODITY STABILIZATION SERVICE—Con.**Current authorizations—Continued****SUGAR ACT PROGRAM—Continued****Program and Financing (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Operating expenses.....	2,297	2,480	2,362
Total program costs.....	71,498	74,500	81,314
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2		
Total obligations.....	71,500	74,500	81,314
Financing:			
New obligational authority (appropriation).....	71,500	74,500	81,314

Total United States requirements and quotas are determined to provide consumers with adequate supplies of sugar at reasonable prices, to protect the domestic sugar industry, and to promote the export trade of the United States. 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.

Continuation of the sugar program is contingent upon enactment of legislation prior to the expiration of the present act on March 31, 1961. A recommendation will be submitted shortly to the Congress. Assuming that the effect of the basic quota and deficit reallocations will be offsetting in the enactment of legislation extending the program, this estimate will not be materially affected. However, in the event the new legislation varies materially from the present act with respect to the bases for payments to producers, consideration will necessarily be given to a supplemental estimate for 1962.

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.

The increase of \$6.8 million as proposed for 1962 is due primarily to increased conditional payments to sugar producers.

Estimated production by areas is shown in the following table:

Area	SHORT TONS, RAW VALUE		
	1959 crop year	1960 crop year	1961 crop year
Continental beet area.....	2,304	2,450	2,700
Continental cane area.....	615	670	750
Hawaii.....	975	940	1,200
Puerto Rico.....	1,019	1,200	1,250
Virgin Islands.....	13	7	12
Total.....	4,926	5,267	5,912

2. *Operating expenses.*—This consists 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.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2 thousand; 1959 (adjusted), —\$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	1,472	1,589	1,591
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	825	891	771
41 Grants, subsidies, and contributions.....	69,203	72,020	78,952
Total obligations.....	71,500	74,500	81,314

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], 1802–1814, and 1816), and to carry out liquidation activities for the acreage reserve program, to remain available until expended, \$330,000,000, with which may be merged the unexpended balances of funds heretofore appropriated for soil bank programs: *Provided*, That not to exceed [\$12,000,000] \$12,884,000 shall be available for administrative expenses, of which not less than [\$10,000,000] \$10,931,000 may be transferred to the appropriation account "Local administration, section 388, Agricultural Adjustment Act of 1938": *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. (74 Stat. 42, 411, 1030–1031; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Conservation reserve program (total program costs ¹).....	335,001	322,786	359,137
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—456	—98	
Total obligations.....	334,545	322,688	359,137
Financing:			
Unobligated balance brought forward.....			—29,137
Unobligated balance carried forward.....		29,137	
Unobligated balance lapsing.....	455		
New obligational authority.....	335,000	351,825	330,000
New obligational authority:			
Appropriation.....	335,000	330,000	330,000
Reappropriation.....		21,825	

¹ Includes capital outlay costs as follows: 1960, \$918 thousand; 1961, \$450 thousand; 1962, \$78 thousand.

The objective of this program is to help adjust total crop acreage more nearly in line with demand by withdrawing cropland from production and to establish and maintain sound conservation practices on the land withdrawn. Under authority which has now expired, the Secretary, through calendar year 1960, entered into 3- to 15-year contracts with producers. In return for removing designated cropland from production and for estab-

lishing necessary conservation practices, the producer receives an annual rental payment each year of the contract period, and cost-sharing assistance for the establishment of the required practices. Total annual rental payments to a producer are limited to \$5 thousand.

Participation in the program is summarized below:

Number of agreements 1956-60 programs.....	306,182
Number of acres.....	28,659,973
Payments made in calendar year 1959, estimated.....	\$321,522,121
Estimated payments to be made in calendar year 1960.....	\$375,400,000

Legislation is proposed which would extend authority to enter into new contracts for the 3-year period 1962-64 and increase total acreage to 60 million acres. A 1962 supplemental appropriation of \$19,381 thousand would be required for this purpose. See Proposed for later transmission.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	348	115	70	70
Advances (payments for goods and services on order not yet received).....	819	113	60	60
Total selected resources at end of year.....	1,167	228	130	130
Selected resources at start of year (—).....	—1,167	—228	—130	—130
Adjustment of prior year costs and selected resources reported at start of year.....		483		
Costs financed from obligations of other years, net (—).....		—456	—98	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
COMMODITY STABILIZATION SERVICE			
22 Transportation of things.....	1		
24 Printing and reproduction.....	83	75	40
25 Other services: Advanced to—			
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	2,447	1,742	1,734
"Local administration, sec. 388, Agricultural Adjustment Act of 1938" (7 U.S.C. 1388).....	15,025	10,861	10,931
41 Grants, subsidies, and contributions.....	315,329	309,294	346,163
Total, Commodity Stabilization Service.....	332,885	321,972	358,868
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	425	186	159
Positions other than permanent.....	19	4	
Other personnel compensation.....	2	1	
Total personnel compensation.....	446	191	159
12 Personnel benefits.....	31	11	10
21 Travel and transportation of persons.....	25	15	10
23 Rent, communications, and utilities.....	4	2	2
24 Printing and reproduction.....	4	1	1
25 Other services.....	22	3	
Services of other agencies.....	113		
26 Supplies and materials.....	12	2	2
31 Equipment.....	1		
41 Grants, subsidies, and contributions.....	1,002	491	85
Total, allotment accounts.....	1,660	716	269
Total obligations.....	334,545	322,688	359,137

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Commodity Stabilization Service.....	332,885	321,972	358,868
Agricultural Conservation Program Service.....	14		
Forest Service.....	1,329	601	149
Soil Conservation Service.....	198	25	
Office of the General Counsel.....	110	90	120
Office of Information.....	9		

Personnel Summary

ALLOTMENT ACCOUNTS			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	47	27	27
Full-time equivalent of other positions.....	6	2	
Average number of all employees.....	66	28	22
Number of employees at end of year.....	36	29	25
Average GS grade.....	7.7	7.6	7.9
Average GS salary.....	\$6,389	\$6,790	\$7,148

SOIL BANK PROGRAM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Authorization to expend from public debt receipts:			
Unobligated balance brought forward.....	—42	—1	
Recovery of prior year obligations.....	—1		
Unobligated balance carried forward.....	1		
Unobligated balance lapsing.....	42	1	
New obligational authority.....			

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations as follows:
 "Agricultural conservation program," Agricultural Conservation Program Service.
 "School lunch program," Agricultural Marketing Service.
 "Great Plains conservation program," Soil Conservation Service.
 "Removal of surplus agricultural commodities," Agricultural Marketing Service.
 "Disaster loans, etc., revolving fund," Farmers Home Administration.
 "Revolving fund, Defense Production Act," funds appropriated to the President.
 "Mutual Security—economic," funds appropriated to the President.
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.

Intragovernmental funds:

ADMINISTRATIVE EXPENSES, SEC. 392, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. National and State operating expense (total program costs ¹).....	21,301	23,640	23,656
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	229		
Total obligations.....	21,530	23,640	23,656
Financing:			
Advances and reimbursements from—			
"Agricultural conservation program," Agricultural Conservation Program Service.....	4,781	5,175	5,181
"Acree allotments and marketing quotas".....	6,651	7,351	7,359

¹ Includes capital outlay as follows: 1960, \$212 thousand; 1961, \$190 thousand; 1962, \$190 thousand.

COMMODITY STABILIZATION SERVICE—Con.

Intragovernmental funds—Continued

ADMINISTRATIVE EXPENSES, SEC. 392, AGRICULTURAL ADJUSTMENT ACT OF 1938—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Advances and reimbursements from—Con.			
“Sugar Act program”	1,472	1,589	1,591
“Conservation reserve”	2,447	1,742	1,734
“Great Plains conservation program,” Soil Conservation Service	21	11	11
“Disaster loans, etc., revolving fund,” Farmers Home Administration	6	6	6
“Removal of surplus agricultural commodities,” Agricultural Marketing Service	9	38	38
Other accounts	6,878	7,728	7,736
Unobligated balance lapsing	-734		
Total financing	21,530	23,640	23,656

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.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	9	7	7	7
Unpaid undelivered orders (appropriation balances obligated for goods and services not yet received)	87	72	72	72
Total selected resources at end of year	96	79	79	79
Selected resources at start of year (—)		-96	-79	-79
Adjustment of prior year costs and selected resources reported at start of year		246		
Obligations incurred for costs of other years, net		229		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	15,105	16,939	17,033
Positions other than permanent	691	783	783
Other personnel compensation	187	128	58
Total personnel compensation	15,983	17,850	17,874
12 Personnel benefits	1,087	1,409	1,411
21 Travel and transportation of persons	2,842	2,812	2,802
22 Transportation of things	53	52	52
23 Rent, communications, and utilities	924	991	991
24 Printing and reproduction	72	75	75
25 Other services:			
Services of other agencies	81	122	122
Supplies and materials	40	40	40
Equipment	229	207	207
31 Equipment	219	82	82
Total obligations	21,530	23,640	23,656

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	2,546	2,562	2,562
Full-time equivalent of other positions	102	111	111
Average number of all employees	2,574	2,636	2,636
Number of employees at end of year	2,780	2,780	2,780
Average GS grade	6.3	6.4	6.5
Average GS salary	\$5,470	\$5,994	\$6,052

LOCAL ADMINISTRATION, SEC. 388, AGRICULTURAL ADJUSTMENT ACT OF 1938

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Local operating expense	118,125	129,377	130,720
2. Prior year advances returned	1,829		
Total program costs¹	119,954	129,377	130,720
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—)	-215		
Total obligations	119,739	129,377	130,720
Financing:			
Unobligated balance brought forward	1,714		
Advances and reimbursements from—			
“Agricultural conservation program,” Agricultural Conservation Program Service	21,363	23,244	23,390
“Acreage allotments and marketing quotas”	33,681	36,000	37,227
“Sugar Act program”	825	891	771
“Commodity Credit Corporation fund” (storage and price-support programs)	39,032	48,188	48,208
“Conservation reserve program”	15,025	10,861	10,931
“Great Plains conservation program,” Soil Conservation Service	84	44	44
“Disaster loans, etc., revolving fund,” Farmers Home Administration		6	6
“Removal of surplus agricultural commodities,” Agricultural Marketing Service	13	43	43
Other accounts	8,930	10,100	10,100
Recovery of prior year obligations	-271		
Unobligated balance lapsing	-658		
Total financing	119,739	129,377	130,720

¹ Includes capital outlay as follows: 1960, \$31 thousand; 1961, \$31 thousand; 1962, \$31 thousand.

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 (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Salaries	86,572	92,835	94,092
Travel	5,644	5,720	5,759
All other expenses	20,267	26,592	26,639
Total advances to committees	112,483	125,147	126,490
Obligations incurred on behalf of ASC county committees for aerial photography and other materials and services	5,813	4,230	4,230
Obligations incurred from prior year funds, net	1,443		
Total obligations	119,739	129,377	130,720

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order: Stores (goods unconsumed by projects).....	73	60	60	60
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	2,089	1,500	1,500	1,500
Total selected resources at end of year.....	2,162	1,560	1,560	1,560
Selected resources at start of year (—).....	-2,162	-1,560	-1,560	-1,560
Adjustment of prior year costs and selected resources reported at start of year.....		387		
Costs financed from obligations of other years, net (—).....		-215		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	895	1,013	1,013
Positions other than permanent.....	151	181	181
Other personnel compensation.....	44	27	20
Total personnel compensation.....	1,090	1,221	1,214
12 Personnel benefits.....	84	94	94
21 Travel and transportation of persons.....	102	133	133
22 Transportation of things.....	19	24	24
23 Rent, communications, and utilities.....	18	15	15
24 Printing and reproduction.....	64	68	68
25 Other services.....	282	287	287
26 Supplies and materials.....	1,043	1,055	1,055
31 Equipment.....	123	128	128
41 Grants, subsidies, and contributions.....	116,914	126,352	127,702
Total obligations.....	119,739	129,377	130,720

Personnel Summary

Total number of permanent positions.....	165	169	169
Full-time equivalent of other positions.....	45	55	55
Average number of all employees.....	238	250	250
Number of employees at end of year.....	235	246	246
Average GS grade.....	6.3	6.4	6.5
Average GS salary.....	\$5,470	\$5,994	\$6,052

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Advanced from Commodity Credit Corporation:			
(a) Supply and foreign purchase program.....	78	95	95
(b) International Wheat Agreement.....	144	215	215
(c) National Wool Act.....	159	260	260
(d) Sale of stockpile cotton.....	3	3	3
2. Miscellaneous services to other accounts.....	142	100	100
Total program costs.....	526	673	673

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	16		
Total obligations.....	542	673	673
Financing:			
Advances and reimbursements from other accounts.....	542	673	673

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4 thousand; 1959 (adjusted), -\$3 thousand; 1960, \$13 thousand; 1961, \$13 thousand; 1962, \$13 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	333	454	454
Positions other than permanent.....	1	1	1
Other personnel compensation.....	3	2	1
Total personnel compensation.....	337	457	456
12 Personnel benefits.....	21	30	31
21 Travel and transportation of persons.....	12	22	22
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	94	109	108
24 Printing and reproduction.....	34	36	37
25 Other services.....	5	7	7
Services of other agencies.....	3	4	4
26 Supplies and materials.....	34	5	5
31 Equipment.....	1	2	2
Total obligations.....	542	673	673

Personnel Summary

Total number of permanent positions.....	78	85	84
Average number of all employees.....	53	70	69
Number of employees at end of year.....	54	57	56
Average GS grade.....	6.3	6.4	6.5
Average GS salary.....	\$5,470	\$5,994	\$6,052

Proposed for later transmission:

CONSERVATION RESERVE PROGRAM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Conservation reserve program (total costs—obligations).....			19,381
Financing:			
New obligational authority (proposed supplemental appropriation).....			19,381

COMMODITY STABILIZATION SERVICE—Con.**Proposed for later transmission—Continued****CONSERVATION RESERVE PROGRAM—Continued**

Under proposed legislation, 1962.—Legislation is being proposed to extend the Secretary's authority to enter into Conservation Reserve contracts for the 3-year period 1962 through 1964, and to increase total acreage in the reserve to 60 million acres by 1964, subject to appropriate changes in price support legislation, particularly for wheat. Under the 1962 program, total acreage would reach an estimated 39 million acres. A supplemental appropriation of \$19,381 thousand in 1962 would be required to provide for increased operating expenses and conservation practice payments under the extended program.

COMMODITY CREDIT CORPORATION**Current authorizations:****RESTORATION OF CAPITAL IMPAIRMENT**

To partially restore the capital impairment of the Commodity Credit Corporation determined by the [appraisals] appraisal of [June 30, 1959, and] June 30, 1960, pursuant to section 1 of the Act of March 8, 1938, as amended (15 U.S.C. 713a-1), [\$1,226,500,000] \$1,017,610,000. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL ACTIVITIES

To reimburse the Commodity Credit Corporation for authorized unrecovered costs through June 30, [1960] 1961 (including interest through date of recovery), as follows: (1) [\$32,572,000] \$83,790,000 under the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641-1642); (2) [\$107,094,000] \$255,685,000 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) [\$881,000,000] \$1,353,000,000 for the sale of surplus agricultural commodities for foreign currencies pursuant to title I of the Act of July 10, 1954, as amended (7 U.S.C. 1701-1709); (4) [\$18,000] \$13,000 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]445); (5) [\$422,950,000] \$163,163,000 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) \$1,264,000 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): Provided, That the unexpended balances of funds heretofore provided for the various purposes under this head may remain available until expended for the purposes for which appropriated and may be merged with the funds provided in this paragraph. (Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

REIMBURSEMENT TO COMMODITY CREDIT CORPORATION FOR COSTS OF SPECIAL MILK PROGRAM

To reimburse the Commodity Credit Corporation for amounts advanced for the fiscal year beginning July 1, 1960, for the special milk program for children pursuant to the Act of July 1, 1958, as amended (7 Stat. 276; 74 Stat. 84-85), \$90,000,000.

Permanent authorizations:**REIMBURSEMENT TO COMMODITY CREDIT CORPORATION, NATIONAL WOOL ACT****Public enterprise funds:**

Note.—Expenditures from the following fund for 1961 are subject to the first paragraph of title II of the Department of Agriculture and Farm Credit Administration Appropriation Act, 1961. For 1962 this paragraph is shown in the Department of Agriculture chapter, p. 392, preceding Federal Crop Insurance Corporation fund.

COMMODITY CREDIT CORPORATION FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
1. Price-support program (Commodity Credit Corporation loan, purchase, and payment programs):			
(a) Direct loan commitments.....	234,869	275,000	304,700
(b) Guaranteed loan commitments.....	1,246,969	1,484,213	1,668,545
(c) Purchases of commodities and related obligations.....	2,789,862	2,663,750	1,234,987
(d) Other obligations.....	4,993	2,415	2,450
Total price support program.....	4,276,693	4,425,378	3,210,682
2. Commodity export program: ¹			
(a) Equalization payments.....	293,890	229,452	192,600
(b) Purchases of commodities and other costs.....	9,261	18,879	14,760
3. Storage facilities program:			
(a) Direct loan commitments.....	21,211	27,059	22,048
(b) Guaranteed loan commitments.....	1		
(c) Purchases of storage facilities equipment.....	654	500	500
(d) Other expense.....		2	72
4. Supply and foreign purchase program:			
(a) Purchases of commodities and other costs.....	407	481	481
(b) Other.....	73		
5. Special milk program (including administrative expense).....	82,210	90,000	
6. Undistributed expense:			
(a) Administrative expenses, subject to limitation (excluding special milk).....	39,431	43,791	41,274
(b) Interest:			
(1) Treasury.....	464,785	430,000	375,000
(2) Other.....	7,729	12,700	14,000
(c) Other expense.....	67,036	27,280	14,860
(d) Purchase of administrative equipment.....	349	400	400
Total price support, supply, and related programs and special milk.....	5,263,730	5,305,992	3,886,677
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
7. Operating costs:			
(a) Commodity transfers from price support program.....	649,842	862,003	670,510
(b) Other operating costs:			
(1) Interest on balance recoverable.....	36,282	46,545	35,072
(2) Other program and administrative costs.....	1,038,331	1,121,451	1,188,581
Total other operating costs.....	1,074,613	1,167,996	1,223,653
Total operating costs.....	1,724,455	2,029,999	1,894,163
8. Capital outlay: Loans made for agricultural conservation purposes.....	38,200	37,500	17,500
Total, special activities financed by Commodity Credit Corporation.....	1,762,655	2,067,499	1,911,663
Total obligations.....	7,026,385	7,373,491	5,798,340

¹ Includes costs represented by the value of commodity transfers from price support program.

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available:			
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK:			
New obligational authority (appropriations):			
Restoration of capital impairment.....	2,110,424	1,226,500	1,017,610
Reimbursement for costs of special milk program.....			90,000
Total new obligational authority.....	2,110,424	1,226,500	1,107,610
Revenue and receipts:			
1. Price-support program:			
(a) Repayment of loans: Direct:			
To Commodity Credit Corporation.....	703,131	647,688	731,887
(b) Loans transferred to accounts receivable.....	499	133	
(c) Sales of commodities ²	2,687,149	2,773,495	1,343,905
(d) Other revenue and receipts.....	10,942	770	655
(e) Recovery of prior year obligations.....	130,406	108,818	117,296
Total, price support program.....	3,532,127	3,530,904	2,193,743
2. Commodity export program: Revenue.....			
	2		
3. Storage facilities program:			
(a) Repayment of loans:			
(1) Direct: To Commodity Credit Corporation.....			
	11,134	9,755	15,900
(2) Guaranteed: To lending agencies.....			
	437		
(b) Loans transferred to accounts receivable.....			
	253	211	105
(c) Other revenue.....			
	51		
4. Supply and foreign purchase program: Revenue.....			
	1,091	558	550
5. Special milk program: Revenue (recoveries).....			
	1,029		
6. Undistributed:			
(a) Interest.....			
	59,159	73,800	65,950
(b) Other.....			
	1,414	1,487	1,488
(c) Recovery of prior year obligations.....			
		12,107	5,474
Total, receipts and recoveries from operations.....	3,606,697	3,628,822	2,283,210
Total, price support, supply, and related programs and special milk.....	5,717,121	4,855,322	3,390,820
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule):			
New obligational authority:			
Appropriations:			
Reimbursement to Commodity Credit Corporation for costs of special activities.....	1,268,098	1,443,634	1,861,915
Reimbursement to Commodity Credit Corporation, National Wool Act (permanent indefinite authorization).....	50,050	67,190	59,000
Total appropriations.....	1,318,148	1,510,824	1,920,915
Reappropriation: Reimbursement to Commodity Credit Corporation for costs of special activities.....		25,412	

² Sales under the price-support program include the value of (a) commodity transfers to special activities financed by Commodity Credit Corporation, (b) commodity transfers to commodity export program for resale or for delivery against payment-in-kind certificates, (c) transfers of strategic and critical materials acquired under barter contracts to the supplemental stockpile and (d) sales to processors under contracts providing that the Corporation will repurchase the commodities in another form.

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Amounts becoming available—Continued			
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule)—Con.			
Unobligated balances lapsing: Reimbursement to Commodity Credit Corporation for costs of special activities.....			
	-25,422	-20	
Total obligational authority, net.....	1,292,726	1,536,216	1,920,915
Revenue and receipts:			
Recoverable from other than special appropriations to reimburse Commodity Credit Corporation.....			
	249,969	228,200	186,150
Repayment of loans for agricultural conservation purposes.....			
	38,500	41,200	25,500
Total revenue and receipts.....	288,469	269,400	211,650
Total, special activities financed by Commodity Credit Corporation.....	1,581,195	1,805,616	2,132,565
Total amounts becoming available.....	7,298,316	6,660,938	5,523,385
Unobligated balance brought forward (authorization to expend from public debt receipts).....	1,228,203	1,500,134	787,581
Total amounts available.....	8,526,519	8,161,072	6,310,966
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-1,500,134	-787,581	-512,626
Financing applied to program.....	7,026,385	7,373,491	5,798,340

Under its corporate charter (15 U.S.C. 714-714p), and in accordance with specific statutes where applicable, 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 1961 and 1962 are based on the general assumptions (a) that employment, production, and national income will rise moderately both in 1961 and 1962 from the present level; (b) that on the average, the general level of prices will be the same as the present level; (c) that developments in international relations will not be

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued**

COMMODITY CREDIT CORPORATION FUND—Continued

such as to affect Government civilian programs generally; (d) that exports of agricultural products generally will be slightly higher than the 1960 level; (e) that acreage allotments and marketing quotas will be in effect for the 1961 crops of peanuts, rice, wheat, cotton and certain kinds of tobacco; (f) that the cotton program for the 1961 crop will revert to the program in effect on crops prior to the 1959 crop which does not provide for the choice A purchase program; and (g) that yields will be in line with recent averages.

In considering these estimates, it should be recognized that it is difficult to estimate requirements for the year ending June 30, 1962. 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 this country and abroad, 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) and in conformity with the Agricultural Act of 1949, as amended, (7 U.S.C. 1421), and section 125 of the Agricultural Act of 1956 (7 U.S.C. 1813). Under the Agricultural Act of 1949, as amended, price support is mandatory for the 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, 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. Legislation should be enacted to make the necessary changes in the price-support program to reduce the heavy demands of the program on the Federal Treasury.

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. Producers' 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 he may elect within the maximum specified in the agreement. Direct purchases are made from producers and processors depending on the com-

modities involved. The incentive payment program on wool and mohair is described under Special activities.

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 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, as amended, and other applicable legislation, particularly the Agricultural Trade Development and Assistance Act of 1954, Public Law 83-480, as amended (7 U.S.C. 1691), title I of the Agricultural Act of 1954, as amended, title II of the Agricultural Act of 1956, as amended, the Agricultural Act of 1958, the act of August 19, 1958, in the case of cornmeal and wheat flour and the act of September 21, 1959 (7 U.S.C. 1427, note), with respect to sale of livestock feed in emergency areas. The provisions of section 202 of the Agricultural Act of 1949 with respect to furnishing dairy products to the armed services and veterans' facilities will expire on December 31, 1961.

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 commodities for such purposes and similar operations, these disposals are, for accounting purposes, treated as price-support program disposals.

DATA ON PRICE-SUPPORT PROGRAM

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Loans made.....	1,481,838	1,759,213	1,973,245
Loans repaid.....	703,131	647,688	731,887
Loan collateral forfeited.....	1,922,948	1,211,394	1,062,061
Loans outstanding June 30.....	1,302,310	1,200,668	1,378,966
Acquisitions.....	4,620,217	3,945,728	2,390,452
Cost of goods sold.....	3,353,142	3,461,989	1,945,220
Donations.....	244,415	277,654	242,808
Inventory as of June 30.....	7,222,927	7,429,011	7,631,435
Investment in price support as of June 30	8,525,237	8,629,679	9,010,401
Net expenditures.....	679,139	803,349	953,139
Realized losses.....	741,576	779,432	687,419

2. *Commodity export program.*—The Corporation promotes the export of agricultural commodities and products through sales, barter, payments and other operations. Such commodities and products may be those held in private trade channels as well as those in the 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, as amended, the International Wheat Agreement Act of 1949, as amended (7 U.S.C. 1641), the Agricultural Trade Development and Assistance Act of 1954, as amended, title I of the Agricultural Act of 1954 and title II of the Agricultural Act of 1956, as amended. In general, transactions involving foreign currencies are conducted pursuant to the Agricultural Trade Development and Assistance Act of 1954, as amended. However, other such transactions may be conducted under the charter authority.

Obligations under the International Wheat Agreement and titles I, II, and IV of the Agricultural Trade Develop-

ment and Assistance Act of 1954, as amended, are paid by the Corporation subject to reimbursement from appropriations authorized for such purpose. These programs are further described under Special activities.

In addition to the exports under the International Wheat Agreement, Corporation-owned wheat is available for export under barter programs of the Corporation at competitive world prices and under the Corporation's export credit sales program. It 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. Wheat and flour payments outside the agreement are made on exports to countries not participating in 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 unrestricted use on a competitive price basis.

The Corporation 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.

Also, the Corporation 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 may (a) purchase and maintain (in storage-deficient areas) granaries and equipment for care and storage of grain owned or controlled by the Corporation; (b) make loans for the construction or expansion of farm-storage facilities; (c) provide storage-use guarantees to encourage the construction of commercial storage facilities; and (d) undertake 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 the 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 for the International Cooperation Administration and other Government agencies of specialized commodities not in the Corporation's price-support inventory.

Loan operations.—The following table reflects the loan operations of the Corporation applicable to the preceding programs (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Loans outstanding, gross, beginning of year:			
Commodity Credit Corporation.....	2,250,755	1,191,173	1,038,269
Lending agencies.....	916	323	-----
Certificates of interest.....	228,631	155,474	224,000
Total, loans outstanding, gross, beginning of year.....	2,480,302	1,346,970	1,262,269
Add loans made.....	1,506,531	1,786,119	1,995,645
Deduct—			
Loans repaid.....	714,702	657,443	747,787
Acquisition of loan collateral.....	1,922,948	1,211,394	1,062,061
Transfers to accounts receivable.....	753	343	105
Writeoffs.....	1,460	1,640	1,000
Total, loans outstanding, gross, end of year.....	1,346,970	1,262,269	1,446,961
Loans outstanding, end of year:			
Commodity Credit Corporation.....	1,191,173	1,038,269	1,119,961
Lending agencies.....	323	-----	-----
Certificates of interest.....	155,474	224,000	327,000
Total, loans outstanding, gross, end of year.....	1,346,970	1,262,269	1,446,961
Deduct allowance for losses.....	230,725	198,806	194,063
Loans receivable, net (price-support and storage facilities).....	1,116,245	1,063,463	1,252,898

Inventory operations.—The following table reflects the inventory operations applicable to the preceding programs (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
AGRICULTURAL COMMODITIES			
On hand, start of year.....	6,131,145	7,170,847	7,384,496
Acquisitions:			
Forfeiture of loan collateral.....	1,922,948	1,211,394	1,062,061
Excess of collateral acquired over loans canceled.....	102,765	85,988	46,198
Purchases.....	1,819,791	1,779,483	457,077
Transfers and exchanges, net.....	-6,419	-----	-----
Carrying charges.....	605,759	668,387	655,107
Total, acquisitions.....	4,444,844	3,745,252	2,220,443
Dispositions:			
Donations to—			
Emergency feed program.....	1,094	473	473
Veterans Administration and Armed Forces.....	29,765	41,977	20,895
Needy persons, domestic.....	81,979	67,901	63,829
Needy persons, foreign (excluding title II, Public Law 480).....	130,834	166,068	156,356
Research, experimentation, education, etc.....	771	1,279	1,265
Total, donations.....	244,443	277,698	242,818

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued**

COMMODITY CREDIT CORPORATION FUND—Continued

AGRICULTURAL COMMODITIES—Continued	1960 actual	1961 estimate	1962 estimate
Dispositions—Continued			
Sales and transfers:			
Bartered for strategic materials.....	132,202	144,292	133,953
Special programs:			
International Wheat Agreement.....	49,383	53,500	53,500
Title I, Public Law 83-480.....	339,869	379,315	339,210
Title II, Public Law 83-480.....	68,133	217,388	99,368
Title IV, Public Law 83-480.....	-----	3,824	3,597
Migratory waterfowl feed.....	13	35	35
Total special programs.....	457,398	654,062	495,710
Commodity export program, payment-in-kind deliveries.....	262,218	202,125	158,205
Other sales.....	1,804,903	1,736,797	526,537
Net loss on sales and transfers.....	503,978	516,629	455,866
Total, sales and transfers.....	3,160,699	3,253,905	1,770,271
Total, dispositions.....	3,405,142	3,531,603	2,013,089
On hand, end of year.....	7,170,847	7,384,496	7,591,850
Less allowance for losses.....	2,995,739	3,073,127	3,090,072
On hand, end of year, net.....	4,175,108	4,311,369	4,501,778
STRATEGIC AND CRITICAL MATERIALS			
On hand, start of year.....	69,951	52,642	45,000
Acquisitions:			
Delivered by barter contractors.....	170,763	190,000	159,500
Carrying charges.....	5,045	11,000	11,000
Total, acquisitions.....	175,808	201,000	170,500
Dispositions:			
National stockpile and other agencies.....	15	-----	-----
Special program: Supplemental stockpile.....	192,444	207,941	174,800
Difference between cost and transfer value.....	658	701	700
Total, dispositions.....	193,117	208,642	175,500
On hand, end of year.....	52,642	45,000	40,000
Less allowance for losses.....	164	700	700
On hand, end of year, net.....	52,478	44,300	39,300

5. *Special milk program.*—Public Law 85-478 (7 U.S.C. 1446 note), as amended, authorized the use of not to exceed \$85 million for 1960 and \$95 million for 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 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. Public Law 86-446 (74 Stat. 85) authorized an appropriation to reimburse the Corporation for 1961 fiscal year costs separate from any other appropriation for the Corporation. It is recommended that extension of this program be financed on a direct appropriation basis. (See Agricultural Marketing Service.)

6. *Undistributed expenses.*—There are a number of expenses which are not allocated to a specific program. These include interest on (a) the capital stock of the Corporation, (b) borrowings from the Treasury, and (c) other obligations evidencing loans made by lending agen-

cies; 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 the Corporation's 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 1962 include a limitation of \$45 million 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 1962 in the same manner as in previous years.

Expenses in connection with the acquisition, operation, maintenance, improvement, or disposition of property which the Corporation owns or in which it has an interest have been treated as program rather than administrative expenses. Such expenses include 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. Similarly, expenses of other Federal agencies whose services are utilized in the handling of Commodity Credit Corporation property are treated as program expenses. These include the fleet storage operation of the Maritime Administration conducted intermittently since 1949 and the services of the General Services Administration in connection with the strategic, critical, and other materials acquired by the Corporation.

During 1960, the Commodity Stabilization Service acquired at no cost property declared excess by other Federal agencies with an original acquisition cost to the Government of \$4 thousand. Such property was used to facilitate Commodity Credit Corporation price-support operations.

SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

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 (10) and (11) 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 to the Department. The 1961 appropriation, together with the re-appropriation of the prior year's unused balances, covered 1960 costs. The proposed appropriations for 1962 will cover 1961 costs. Reimbursement for 1962 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, 1959, 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 1959 agreement are \$1.90 and \$1.50 per bushel, respectively, for the basic grade of wheat, No. 1 Manitoba Northern, at Fort William/Port Arthur, Canada, in terms of Canadian currency at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at March 1949. The agreement total quantity represents about 36% of world trade in wheat, yet the nine 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 1962 of \$88.8 million provides for reimbursing the Corporation for costs of \$71.5 million incurred in 1961 when an estimated 110 million bushels of wheat and wheat flour will be exported under the agreement and for unreimbursed 1960 costs of \$17.3 million.

(2) *Emergency famine relief to friendly peoples.*—The Commodity Credit Corporation, through December 31, 1961, is directed, under title II of Public Law 83-480, as amended (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. Public Law 86-472, enacted May 14, 1960, authorized payment of transportation to point of entry of landlocked countries and general average contributions arising out of ocean transport of commodities transferred under title II. This law also amended section 202 of title II to authorize, through June 30, 1961, use of assistance under this title to meet the requirements of needy peoples and to promote economic development in underdeveloped areas in addition to that which can be accomplished under title I.

Through June 30, 1960, commitments undertaken under this authority totaled \$627.3 million. Of this amount the value of commodities authorized for shipment totaled \$479.4 million of which more than \$364.4 million was for grain, including rice. Actual commodity and freight costs incurred through June 30, 1960, were \$603 million. During 1961 and 1962, additional commodity and freight costs of \$275.2 million and \$140.9 million, respectively, are expected to be incurred under the program.

Appropriations are authorized to reimburse the Corporation for its costs in carrying out the program. Through December 31, 1959, a total of \$800 million was authorized. From January 1, 1960, \$300 million per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. The estimate for 1962 of \$255.7 million provides reimbursement of \$275.2 million for estimated operations during 1961 less \$19.5 million of unused prior year balances applied against 1961 costs.

It is estimated that total costs under this program will approximate \$1,036 million by June 30, 1962, and the

following reflects the costs incurred in carrying out this program by fiscal years (in thousands of dollars):

	Program ex- penditures	Interest	Total
1955	86,623	273	86,896
1956	91,277	2,308	93,585
1957	120,430	4,461	124,891
1958	116,001	5,445	121,446
1959	95,511	2,417	97,928
1960	93,161	2,339	95,500
1961 (estimate)	272,388	2,797	275,185
1962 (estimate)	139,368	1,500	140,868
Cumulative totals	1,014,759	21,540	1,036,299

(3) *Sales of surplus agricultural commodities for foreign currencies.*—Under the Agricultural Trade Development and Assistance Act, as amended (7 U.S.C. 1701-1709), surplus agricultural commodities are sold for foreign currencies. These currencies may then be used within certain limitations by the United States Government for agricultural market development, purchase of strategic materials, military equipment facilities and services for the common defense, payment of U.S. obligations, military family housing, and other specified purposes.

If regular appropriations are available for any unrestricted purpose for which foreign currencies are used, the agency must buy the currency for dollars which are credited to the Corporation. Beginning with 1961, special appropriations have been made for uses of foreign currencies in excess of amounts needed for regular operations or where use of currencies is restricted by international agreement or understanding. As these currencies are used, the Corporation will receive reimbursement therefor from these appropriations. The Department of Defense directly reimburses the Corporation for foreign currencies used for military family housing prior to 1961 from quarters allowances and net rental receipts from such housing. Section 509 of Public Law 86-500, approved June 8, 1960 (74 Stat. 186), provides that at least 75% of the total cost of any family housing project or community facility hereafter constructed or acquired in any foreign country (with certain specific exceptions) by any military department shall be paid for from foreign currencies acquired by the Corporation under title I.

Through June 30, 1960, a total of 194 agreements had been signed with 38 countries for commodities representing an export market value of \$4,835.3 million including ocean transportation of \$515.7 million. The major commodities included were wheat, cotton, and fats and oils which together amounted to 81% of the total value of the agreements. Through that date commodities with an export market value of about \$3,623.1 million had been shipped. The total dollar equivalent of foreign currencies deposited in the Treasury through June 30, 1960, amounted to \$3,800.1 million.

Appropriations are authorized to reimburse the Corporation for its net costs in carrying out this program. Through December 31, 1959, a total of \$6.25 billion was so authorized. From January 1, 1960, \$1.5 billion per calendar year is authorized through December 31, 1961, plus unused balances of the previous authorization. Legislation will be proposed to the Congress to increase the authorization through calendar year 1961.

The estimate in 1962 of \$1,353 million covers estimated unreimbursed costs of operations through 1961 amounting to \$1,806.5 million less \$453.5 million representing the dollar equivalent of various foreign currencies

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued**

COMMODITY CREDIT CORPORATION FUND—Continued

received for agricultural commodities exported as of June 30, 1961, for which the Corporation may eventually be reimbursed in dollars from the sale of such currencies or from net rental receipts from military housing.

The following table reflects the net costs incurred by Commodity Credit Corporation by fiscal years (in thousands of dollars):

	Program expenditures	Interest	Total
1955.....	129,165	355	129,520
1956.....	616,964	7,263	624,227
1957.....	1,361,973	34,400	1,396,373
1958.....	1,089,008	55,710	1,144,718
1959.....	1,089,071	24,183	1,113,254
1960.....	1,279,581	28,388	1,307,969
1961 (estimate).....	1,360,000	37,950	1,397,950
1962 (estimate).....	1,400,000	28,000	1,428,000
Cumulative totals.....	8,325,762	216,249	8,542,011
Deduct sales of currencies and rental collections.....	563,619	-----	563,619
Net Commodity Credit Corporation costs.....	7,762,143	216,249	7,978,392
Appropriations through June 30, 1962.....	-----	-----	6,230,849
Unreimbursed costs, June 30, 1962.....	-----	-----	1,747,543

The following table reflects the computation of the appropriations (in thousands of dollars):

	Program year		
	1960	1961	1962
Due at end of program year.....	1,412,477	1,806,541	1,747,543
Less—			
Due from Department of Defense.....	57,788	71,530	76,622
Estimated to be recovered through sale of foreign currencies and net rental income from military housing.....	296,689	382,011	423,921
Unrecovered costs included in 1962 appropriation.....	177,000	-----	-----
Subtotal.....	531,477	453,541	500,543
Appropriation: 1961, 1962, and 1963.....	881,000	1,353,000	1,247,000

The following reflects the utilization of the foreign currencies acquired under this program (in thousands of dollars):

	1960	1961	1962
Foreign currency, start of year:			
Balance with Treasury.....	1,661,390	2,009,514	2,254,980
Collections in transit to Commodity Credit Corporation.....	—11	—4	-----
Receivable from foreign governments.....	70,116	81,412	81,412
Total.....	1,731,495	2,090,922	2,336,392
Commodities shipped: Commodity Credit Corporation cost:			
Commodity Credit Corporation-owned commodities.....	339,869	379,315	339,210
Private stocks financed by Commodity Credit Corporation including ocean transportation.....	900,056	938,685	1,017,790
Ocean freight differential.....	39,656	42,000	43,000
Interest expense.....	28,388	37,950	28,000
Total, Commodity Credit Corporation cost.....	1,307,969	1,397,950	1,428,000
Deduct—			
Ocean freight differential.....	39,656	42,000	43,000
Adjustment to export market value, including ocean transportation where applicable.....	391,456	377,550	404,400
Foreign currencies becoming due.....	876,857	978,400	980,600

	1960	1961	1962
Deduct foreign currency dispositions.....	517,430	732,930	775,736
Foreign currency, end of year:			
Balance with Treasury.....	2,009,514	2,254,980	2,459,844
Collections in transit to Commodity Credit Corporation.....	—4	-----	-----
Receivable from foreign governments.....	81,412	81,412	81,412
Total.....	2,090,922	2,336,392	2,541,256
Less allowance for loss and future expenditures with reimbursement by special appropriations to Commodity Credit Corporation.....	1,736,445	1,882,851	2,040,713
Recoverable from future sales of currencies and net receipts from military family housing.....	354,477	453,541	500,543

(4) *Long-term supply contracts.*—Under title IV of the Agricultural Trade Development and Assistance Act (7 U.S.C., supp. 1, 1731–1736), the President is authorized to make agreements with friendly nations under which the United States would deliver surplus agricultural commodities over periods of up to 10 years and accept payment in dollars with interest over periods of up to 20 years. The funds and assets of the Corporation are authorized to be used to finance the sale and exportation of such commodities under title IV and appropriations are authorized to reimburse the Corporation therefor. In collaboration with other Government agencies, pilot programs are being developed during the fiscal year 1961 for deliveries under this title. Because of the current uncertainty of the volume of operations in 1961, no amount is included in the 1962 estimates to reimburse the Corporation for its costs.

(5) *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 (7 U.S.C. 442–445), 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 1960, a total of 200 tons of Commodity Credit Corporation grain, with an investment value of \$13 thousand were transferred under this program. It is estimated that 400 tons of grain will be transferred in each of the fiscal years 1961 and 1962 at a cost to Commodity Credit Corporation of \$35 thousand in fiscal year 1961 and \$35 thousand in fiscal year 1962. The estimate for 1962 of \$13 thousand provides for reimbursement for operations during 1961 less \$22 thousand of unused prior year balance applied against 1961 costs.

(6) *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 value of materials transferred.

During fiscal year 1960, materials valued at \$192 million were transferred under this program, and it is estimated that materials valued at \$207.9 million will be transferred during fiscal year 1961 and \$174.8 million in fiscal year 1962. The estimate for 1962 of \$163.2 million provides reimbursement for materials to be transferred during the fiscal year 1961 less \$44.7 million of unused prior year balance applied against 1961 costs.

(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. An appropriation for 1962 of \$1.3 million is proposed for repaying advances of \$1.4 million to be received in 1961 less \$147 thousand of unused prior year balance.

(8) *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 to the announced incentive level. The incentive level shall not exceed 110% of parity. In a referendum conducted in September 1959, wool and lamb producers voted to continue the deduction from their incentive payment of an amount not to exceed 1 cent per pound of wool and 5 cents per hundredweight of unshorn lambs marketed. These funds financed promotional, advertising, and related market-development activities by the American Sheep Producers' Council, Inc., under an agreement with the Secretary of Agriculture.

COSTS OF THE NATIONAL WOOL ACT

[Dollars in thousands]

	<i>Fiscal year 1960 1958 marketing year (actual)</i>	<i>Fiscal year 1961 1959 marketing year (estimate)</i>	<i>Fiscal year 1962 1960 marketing year (estimate)</i>
Volume of marketings:			
Shorn wool.....pounds..	288,049	250,000	265,000
Unshorn lambs.....cwt..	11,179	11,000	11,400
Incentive payments:			
Per pound, shorn wool			
cents.....	25.6	18.7	19.0
Per hundredweight, unshorn			
lambs.....cents..	102.0	75.0	76.0
Incentive payments:			
Shorn wool.....	73,741	46,750	50,350
Unshorn lambs.....	11,402	8,250	8,664
Promotional and advertising			
programs ¹	(3,416)	(3,050)	(3,220)
Total payments.....	85,143	55,000	59,014
Administrative expenses.....	2,845	2,951	2,950
Interest expense.....	4,666	3,882	4,106
Total.....	92,654	61,833	66,070

¹ Deductions from producer payments.

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 manufactures. Actual and estimated payments compared with this limitation are as follows (in thousands of dollars):

	<i>1960 actual</i>	<i>1961 estimate</i>	<i>1962 estimate</i>
70% of customs receipts on wool and wool manufactures cumulative from Jan. 1, 1953, to end of preceding calendar year (estimate).....	358,224	417,224	469,224
Cumulative incentive payments on 2d preceding marketing year (fiscal years).....	210,783	265,783	324,797
Balance of limitation available for payments on succeeding marketing years.....	147,441	151,441	144,427

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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 manufactures during the preceding calendar year.

Estimated costs and reimbursements to Commodity Credit Corporation during 1960, 1961, and 1962 are indicated in the following table (in thousands of dollars):

	<i>1960 actual</i>	<i>1961 estimate</i>	<i>1962 estimate</i>
Due at beginning of year.....	84,376	126,979	121,622
Costs for year:			
Program.....	87,983	57,951	61,964
Interest.....	4,666	3,882	4,106
Total.....	92,654	61,833	66,070
Total due.....	177,029	188,812	187,692
Reimbursement to Commodity Credit Corporation.....	50,050	67,190	59,000
Due Commodity Credit Corporation at end of year.....	126,979	121,622	128,692
Less balance due Commodity Credit Corporation recoverable from subsequent years' customs receipts.....	59,789	62,622	76,692
Appropriation: 1961, 1962, and 1963.....	67,190	59,000	52,000

(9) *Soil bank program.*—Pursuant to section 120 of the Agricultural Act of 1956 (7 U.S.C. 1808) the Secretary of Agriculture utilizes the facilities of the Corporation for making payments to farmers under this program. (See Commodity Stabilization Service.)

(10) *Military housing.*—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 Department of Defense over a long period of years to reimburse the Corporation pursuant to the act of September 1, 1954 (5 U.S.C. 171z-1).

(11) *Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation.*—The act of July 10, 1957 (71 Stat. 290), authorizes the transfer of 50 thousand 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.

(12) *Loans to Secretary of Agriculture for conservation purposes.*—Under section 391(c) of the Agricultural Adjustment 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 funds appropriated for the agricultural conservation program. (See Agricultural Conservation Program Service.)

FINANCING THE PROGRAMS

Financing.—The programs of the Commodity Credit Corporation are financed by capital stock, borrowings, guarantees to purchase notes or other obligations evidencing loans made by lending agencies, issuance of certificates of interest in loans held by the Corporation, restoration of capital impairment, appropriations to reimburse the

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued**

COMMODITY CREDIT CORPORATION FUND—Continued

Corporation for costs of special activities, and receipts from operations.

Borrowing authority.—The Corporation has an authorized capital stock of \$100 million held by the United States and authority to borrow up to \$14.5 billion.

Funds are borrowed from Treasury and may also be borrowed from private lending agencies. In connection with loan guarantees, 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 or certificates of interest issued in connection with the financing of price-support operations. 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. Interest is also paid on certificates of interest and lending agency obligations for the period the agencies have their funds invested.

On the basis of the budgetary assumptions heretofore described, the consequent estimated program requirements currently indicate no need for an increase in borrowing authority. Since there are so many uncontrollable factors affecting the programs of the Corporation involving crops which have not even been planted, it must be recognized that estimates of the use of borrowing authority are highly tentative.

POSITION WITH RESPECT TO BORROWING AUTHORITY AS OF JUNE 30

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Statutory borrowing authority.....	14,500	14,500	14,500
Deduct borrowings from Treasury.....	12,704	13,396	13,653
Obligations to purchase loans or certificates held by lending agencies (guaranteed by Commodity Credit Corporation).....	156	224	327
Total statutory borrowing authority outstanding.....	12,860	13,620	13,980
Net statutory borrowing authority available.....	1,640	880	520

Note.—This table does not reflect the following charges: Accounts payable, accrued liabilities, and obligations outstanding other than obligations to purchase loans and certificates held by banks. These do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or loans or certificates held by banks.

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 the 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 1960 were \$1,612 million. An appropriation of \$1,226 million was received in fiscal year 1961 to restore the 1959 unrecovered realized losses of \$632 million and \$594 million for part of the 1960 estimated losses. The estimate for 1962 of \$1,018 million represents the remainder of the unrestored 1960 actual realized losses of \$1,612 million.

The capital impairment has previously been restored as follows (in thousands of dollars):

PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK	
Realized losses 1933 to 1960 inclusive.....	12,025,076
Reimbursements by the Treasury:	
Restoration of capital impairment:	
Appropriations (11 times).....	6,623,213
Note cancellations (6 times).....	2,697,807
	9,321,020
Less dividends paid to Treasury (4 times).....	138,209
Total restoration of capital impairment.....	9,182,811
Other reimbursements:	
Appropriations (2 times).....	541,916
Note cancellation (1 time).....	56,239
Total other reimbursements.....	598,155
Total.....	9,780,966
Impairment (realized deficit) as of June 30, 1960, price support, supply, and related programs and special milk.....	2,244,110
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION	
Realized losses, 1948 to 1960 inclusive.....	8,163,041
Reimbursements by the Treasury:	
Appropriations (11 times).....	5,845,705
Note cancellations (4 times).....	536,518
Total reimbursements.....	6,382,223
Deficit as of June 30, 1960, special activities financed by Commodity Credit Corporation.....	1,780,818

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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Gross expenditures (funds applied):			
Price-support program.....	4,080,860	4,225,435	3,029,586
Less commodity transfers to—			
Special activities financed by Commodity Credit Corporation.....	649,842	862,003	670,510
Commodity export program.....	289,024	272,525	212,455
Price-support program, net of transferred charges.....	3,141,994	3,090,907	2,146,621
Commodity export program: Expense.....	311,112	259,369	214,440
Storage facilities program:			
Acquisition of assets.....	25,504	27,729	22,900
Expense.....		72	72
Supply and foreign purchase program: Expense.....	481	481	481
Special milk program: Expense (including administrative).....	82,210	90,000	

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—Continued			
Gross expenditures (funds applied)—Continued			
Undistributed expenses:			
Administrative expense subject to limitation (excluding special milk).....	39,431	43,791	41,274
Interest expense:			
Treasury.....	464,786	430,000	375,000
Other.....	7,729	12,700	14,000
Other expense.....	27,264	27,680	15,260
Total gross expenditures.....	4,100,510	3,982,729	2,830,048
Receipts from operations (funds provided):			
Price-support program, net.....	2,462,855	2,287,558	1,193,482
Commodity export program: Revenue.....	2		
Storage facilities program:			
Receipts from loans.....	11,387	9,966	16,005
Other program revenue.....	51		
Supply and foreign purchase program:			
Revenue.....	1,091	558	550
Special milk program: Revenue (recoveries).....	1,029		
Undistributed: Interest and other revenue.....	60,573	75,287	67,438
Decrease in selected working capital.....	2,103	96,360	15,966
Total receipts from operations.....	2,539,091	2,469,729	1,293,441
Budget expenditures, price support, supply, and related programs and special milk.....	1,561,419	1,513,000	1,536,607
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION (see schedule)			
Gross expenditures (funds applied):			
Commodity transfers from price-support program.....	649,842	862,003	670,510
Interest on balance recoverable.....	36,282	46,545	35,072
Other program expenses.....	1,038,331	1,121,451	1,188,581
Increase in selected working capital (soil bank and other).....	211,653	99,184	48,856
Loan for agricultural conservation purposes.....	38,200	37,500	17,500
Total gross expenditures.....	1,974,309	2,166,683	1,960,519
Receipts from operations (funds provided):			
Recovered from other than special appropriations to reimburse Commodity Credit Corporation.....	249,969	228,200	186,150
Repayment of loans for agricultural conservation purposes.....	38,500	41,200	25,500
Total receipts from operations.....	288,469	269,400	211,650
Budget expenditures, special activities financed by Commodity Credit Corporation.....	1,685,840	1,897,283	1,748,869
Total net budget expenditures.....	3,247,259	3,410,283	3,285,476

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK			
Price-support program:			
Revenue.....	2,862,434	2,964,266	1,504,060
Expense.....	3,604,010	3,743,698	2,191,479
Net loss (-) (realized).....	-741,576	-779,432	-687,419
Increase (-) in allowance for losses (unrealized).....	-213,335	-46,005	-12,202
Net operating loss (-), price-support program.....	-954,911	-825,437	-699,621

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
PRICE SUPPORT, SUPPLY, AND RELATED PROGRAMS AND SPECIAL MILK—Continued			
Commodity export program: Expense:			
Net operating loss (-) (realized).....	-311,110	-259,369	-214,440
Storage facilities program: Expense: ¹			
Net operating income or loss (-) (realized).....	51	-72	-72
Supply and foreign purchase program:			
Revenue.....	1,091	558	550
Expense.....	748	558	550
Net operating income (realized), supply and foreign purchase program.....	343		
Special milk program:			
Revenue.....	1,029		
Expense (including administrative).....	82,210	90,000	
Net operating loss (-) (realized), special milk program.....	-81,181	-90,000	
Undistributed:			
Revenue.....	60,573	75,287	67,438
Expense.....	539,209	514,171	445,534
Net loss (-) (realized).....	-478,636	-438,884	-378,096
Increase (-) or decrease in allowance for losses (unrealized).....	-1,776	1,115	2,174
Net operating loss (-) undistributed.....	-480,412	-437,769	-375,922
Net loss (-) for the year:			
Realized.....	-1,612,109	-1,567,757	-1,280,027
Unrealized.....	-215,111	-44,890	-10,028
Net loss (-) for the year, price support, supply, and related programs and special milk.....	-1,827,220	-1,612,647	-1,290,055
Analysis of deficit (-):			
Deficit (-), beginning of year.....	-5,763,087	-5,479,883	-5,866,030
Appropriations:			
Restoration of capital impairment.....	2,110,424	1,226,500	1,017,610
Reimbursement for costs of special milk program.....			90,000
Deficit (-), end of year, price support, supply, and related programs and special milk.....	-5,479,883	-5,866,030	-6,048,475
SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION			
Revenue: Reimbursements received.....	249,969	228,200	186,150
Expense.....	1,724,455	2,029,999	1,894,163
Net loss (-), for the year, special activities financed by Commodity Credit Corporation.....	-1,474,487	-1,801,799	-1,708,013
Deficit (-), beginning of year.....	-1,599,057	-1,780,818	-2,046,401
Reimbursement from special appropriations, net (see schedule).....	1,292,726	1,536,216	1,920,915
Deficit (-), end of year, special activities financed by Commodity Credit Corporation.....	-1,780,818	-2,046,401	-1,833,499
Total deficit (-), end of year, all transactions of Commodity Credit Corporation.....	-7,260,701	-7,912,431	-7,881,974

¹ Operation and maintenance costs applicable to owned structures are reflected as carrying charges on the commodities stored.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	28,896	28,970	29,019
Accounts receivable, net:			
Price support, supply and related programs and special milk.....	170,935	128,480	86,304
Special activities financed by Com- modity Credit Corporation.....	118		
Deferred and undistributed charges, net.....	61,120	50,200	46,900
Commodities for sale, net:			
Agricultural commodities.....	4,175,108	4,311,369	4,501,778
Strategic and critical materials.....	52,478	44,300	39,300
Total, commodities for sale, net.....	4,227,586	4,355,669	4,541,078
Loans receivable, net:			
Price support and storage facilities loans.....	1,116,245	1,063,463	1,252,898
Loans for agricultural conservation purposes (special activities fin- anced by Commodity Credit Corporation).....	29,200	25,500	17,500
Total loans receivable, net.....	1,145,445	1,088,963	1,270,398
Amounts recoverable from other than special appropriations (special ac- tivities financed by Commodity Credit Corporation):			
Sales of surplus agricultural com- modities for foreign currencies:			
Due from foreign currencies to be sold and net rental income from military housing.....	296,689	382,011	423,921
Due from Department of Defense for foreign currencies used in military housing construction (Public Law 480).....	57,788	71,530	76,622
Subtotal.....	354,477	453,541	500,543
Due from Department of Defense from receipts from military hous- ing rentals (Public Law 161, barter and exchange).....	48,897	46,888	45,188
Due from foreign governments under long-term supply contracts.....		6,250	11,400
Total amounts recoverable from other than special ap- propriations.....	403,374	506,679	557,131
Land, structures, and equipment, net.....	128,456	116,956	105,456
Total assets.....	6,165,930	6,275,917	6,636,286
Liabilities:			
Loans and certificates held by lending agencies.....	155,797	224,000	327,000
Price support, supply, and related pro- grams and special milk.....	367,463	409,334	377,650
Special activities financed by Com- modity Credit Corporation:			
National Wool Act payments due producers.....	55,000	59,014	60,610
Unused soil bank advances.....	44,359		
Other.....	12		
Total, special activities financed by Commodity Credit Cor- poration.....	99,371	59,014	60,610
Total liabilities.....	622,631	692,348	765,260
Government investment:			
Interest-bearing capital:			
Start of year.....	12,974,000	12,804,000	13,496,000
Borrowings from Treasury during year, net.....	-170,000	692,000	257,000
End of year.....	12,804,000	13,496,000	13,753,000

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment—Continued			
Deficit (—):			
Price support, supply, and related programs and special milk:			
Net realized deficit (—).....	-2,244,110	-2,585,367	-2,757,784
Net unrealized deficit (—).....	-3,235,773	-3,280,663	-3,290,691
Total deficit (—), price support, supply, and related programs and special milk.....	-5,479,883	-5,866,030	-6,048,475
Total deficit (—), special activities financed by Commodity Credit Corporation.....	-1,780,818	-2,046,401	-1,833,499
Total deficit (—).....	-7,260,701	-7,912,431	-7,881,974
Total Government investment.....	5,543,299	5,583,569	5,871,026

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	33,366	28,896	28,970	29,019
Budget authorization.....	1,626,000	1,796,000	1,104,000	847,000
Total unexpended balance.....	1,659,366	1,824,896	1,132,970	876,019
Obligated balance, net:				
Current liabilities.....	806,196	622,631	692,348	765,260
Obligations other than liabilities:				
Price support, supply, and re- lated programs and spe- cial milk:				
Purchase agreements out- standing.....	49,459	51,701	53,000	42,000
Commodities under contract to purchase.....		170,900	192,200	164,000
Unrecorded claims.....	3,530	7,072	7,000	7,000
Approved declarations of sales for export.....	52,870	44,908	33,870	26,790
Farm storage facility and equipment loan commit- ments.....	5,460	1,977	2,130	1,778
Special activities financed by Commodity Credit Cor- poration: Commitments which are recoverable:				
Letters of commitment.....	252,842	148,541	157,760	162,400
Approved declarations of sales for export.....	2,856	7,957	7,350	7,350
Subtotal.....	255,698	156,498	165,110	169,750
Accounts receivable, net (—):				
Price support, supply, and re- lated programs and special milk.....	-262,853	-170,935	-128,480	-86,304
Special activities financed by Commodity Credit Cor- poration.....		-118		
Amounts recoverable from other than special appropriations, net (—).....	-223,499	-403,374	-506,679	-557,131
Commitments which are recover- able, included above (—).....	-255,698	-156,498	-165,110	-169,750
Total obligated balance.....	431,163	324,762	345,389	363,393
Unobligated balance ¹	1,228,203	1,500,134	787,581	512,626

¹ Statutory obligations against borrowing authority include only borrowings from Treasury and obligations to purchase notes or other obligations evidencing loans made by lending agencies. Other obligations, contingent liabilities, and commitments do not become charges against the statutory borrowing authority until they result in borrowings from Treasury or in notes or other obligations evidencing loans made by lending agencies.

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 guarantee and occupancy agreements for storage space.

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION

[In thousands of dollars]

												<i>Balance as of June 30</i>	
	<i>Balance recoverable and liabilities (-) as of July 1</i>	<i>Special appropriations to reimburse Commodity Credit Corporation (net)</i>	<i>Balance recoverable after application of appropriations</i>	<i>Program expenditures</i>			<i>Total program expenditures</i>	<i>Recovered or recoverable from other than special appropriations</i>	<i>Net operating loss</i>	<i>Changes in selected working capital</i>	<i>Net budget expenditures</i>	<i>Recoverable from special appropriations (deficit)</i>	<i>Recoverable from other funds and appropriations, and current liabilities (-) ¹</i>
RECOVERABLE COSTS													
“Reimbursement to Commodity Credit Corporation for costs of special activities”:													
International Wheat Agreement:													
1960.....	47,405	47,405	-----	49,383	888	16,030	66,302	-----	66,302	-----	66,302	66,302	-----
1961.....	66,302	49,042	17,259	53,500	1,816	16,215	71,530	-----	71,530	-----	71,530	88,790	-----
1962.....	88,790	88,790	-----	53,500	966	16,215	70,681	-----	70,681	-----	70,681	70,681	-----
Emergency famine relief to friendly peoples:													
1960.....	96,602	96,602	-----	68,133	2,339	25,028	95,500	-----	95,500	-----	95,500	95,500	-----
1961.....	95,500	115,000	-19,500	217,388	2,797	55,000	275,185	-----	275,185	-----	275,185	255,685	-----
1962.....	255,685	255,685	-----	99,368	1,500	40,000	140,868	-----	140,868	-----	140,868	140,868	-----
Sales of surplus agricultural commodities for foreign currencies:													
1960.....	1,148,505	968,016	180,489	339,869	28,388	939,712	1,307,969	249,969	1,058,000	173,987	1,231,987	1,058,000	354,477
1961.....	1,412,477	881,000	531,477	379,315	37,950	980,685	1,397,950	221,950	1,176,000	99,063	1,275,063	1,353,000	453,541
1962.....	1,806,541	1,353,000	453,541	339,210	28,000	1,060,790	1,428,000	181,000	1,247,000	47,002	1,294,002	1,247,000	500,543
Long-term supply contracts:													
1961.....	-----	-----	-----	3,824	100	6,176	10,100	6,250	3,850	6,250	10,100	* 3,850	6,250
1962.....	10,100	(²)	10,100	3,597	500	5,203	9,300	5,150	4,150	5,150	9,300	8,000	11,400
Transfer of Commodity Credit Corporation grain to Interior for migratory waterfowl feed:													
1960.....	17	17	-----	13	-----	-----	13	-----	13	-----	13	13	-----
1961.....	13	36	-22	35	-----	-----	35	-----	35	-----	35	13	-----
1962.....	13	13	-----	35	-----	-----	35	-----	35	-----	35	35	-----
Transfer of bartered materials to supplemental stockpile:													
1960.....	314,728	129,000	185,728	192,444	-----	-----	192,444	-----	192,444	-----	192,444	378,172	-----
1961.....	378,172	422,950	-44,778	207,941	-----	-----	207,941	-----	207,941	-----	207,941	163,163	-----
1962.....	163,163	163,163	-----	174,800	-----	-----	174,800	-----	174,800	-----	174,800	174,800	-----
Grading and classing activities:													
1960.....	609	609	-----	-----	1	851	852	-----	852	-----	852	852	-----
1961.....	852	998	-147	-----	-----	1,411	1,411	-----	1,411	-----	1,411	1,264	-----
1962.....	1,264	1,264	-----	-----	-----	2,813	2,813	-----	2,813	-----	2,813	2,813	-----
Animal disease eradication activities:													
1960.....	1,055	1,027	28	-----	-----	-28	-28	-----	-28	-----	-28	-----	-----
Subtotal:													
1960.....	1,608,921	1,242,676	366,245	649,842	31,616	981,593	1,663,051	249,969	1,413,083	173,987	1,587,070	1,598,839	354,477
1961.....	1,953,316	1,469,026	484,289	862,003	42,663	1,059,487	1,964,152	228,200	1,735,952	105,313	1,841,265	1,865,765	459,791
1962.....	2,325,566	1,861,915	463,641	670,510	30,966	1,125,021	1,826,497	186,150	1,640,347	52,152	1,692,499	1,644,197	511,943
“Reimbursement to Commodity Credit Corporation, National Wool Act”:													
1960.....	84,376	50,050	34,326	-----	4,666	56,738	61,404	-----	61,404	31,250	92,654	181,979	-55,000
1961.....	126,979	67,190	59,789	-----	3,882	61,964	65,847	-----	65,847	-4,014	* 61,833	180,636	-59,014
1962.....	121,622	* 59,000	62,622	-----	4,106	63,560	67,666	-----	67,666	-1,596	66,070	189,302	-60,610
Soil bank program: ⁴													
Acreage reserve certificates payable:													
1960.....	-836	-----	-336	-----	-----	-----	-----	-----	-----	324	324	-----	-12
1961.....	-12	-----	-12	-----	-----	-----	-----	-----	-----	12	12	-----	-----
Acreage reserve advances:													
1960.....	-4,953	-----	-4,953	-----	-----	-----	-----	-----	-----	(66)	(66)	-----	-4,886
1961.....	-4,886	-----	-4,886	-----	-----	-----	-----	-----	-----	(4,886)	-----	-----	-----
Conservation reserve advances:													
1960.....	-29,768	-----	-29,768	-----	-----	-----	-----	-----	-----	(-9,705)	(-9,705)	-----	-39,473
1961.....	-39,473	-----	-39,473	-----	-----	-----	-----	-----	-----	(39,473)	-----	-----	-----
Other programs:													
Military housing (Public Law 161, barter and exchange):													
1960.....	43,009	-----	43,009	-----	-----	-----	-----	-----	-----	5,888	5,888	-----	48,897
1961.....	48,897	-----	48,897	-----	-----	-----	-----	-----	-----	-2,009	-2,009	-----	46,888
1962.....	46,888	-----	46,888	-----	-----	-----	-----	-----	-----	-1,700	-1,700	-----	45,188

See footnotes at end of table, p. 390.

COMMODITY CREDIT CORPORATION—Continued

Public enterprise funds—Continued

COMMODITY CREDIT CORPORATION FUND—Continued

SCHEDULE OF SPECIAL ACTIVITIES FINANCED BY COMMODITY CREDIT CORPORATION—Continued

[In thousands of dollars]

	Balance recoverable and liabilities (-) as of July 1	Special appropriations to reimburse Commodity Credit Corporation (net)	Balance recoverable after application of appropriations	Program expenditures			Total program expenditures	Recovered or recoverable from other than special appropriations	Net operating loss	Changes in selected working capital	Net budget expenditures	Balance as of June 30		
				Commodity transfers from price-support program	Interest on balance recoverable	Other costs and capital outlay						Recoverable from special appropriations (deficit)	Recoverable from other funds and appropriations, and current liabilities (-) ¹	
RECOVERABLE COSTS—continued														
Other programs—Continued														
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation:														
1960.....	-86		-86							204	204		118	
1961.....	118		118							-118	-118			
Total recoverable costs:														
1960.....	1,701,163	1,292,726	408,437	649,842	36,282	1,038,331	1,724,455	249,969	1,474,487	211,653	1,686,140	1,780,818	304,121	
1961.....	2,084,939	1,536,216	548,722	862,003	46,545	1,121,451	2,029,999	228,200	1,801,799	99,184	1,900,983	2,046,401	447,665	
1962.....	2,494,066	1,920,915	573,151	670,510	35,072	1,188,581	1,894,163	186,150	1,708,013	48,856	1,756,869	1,833,499	496,521	
CAPITAL OUTLAY														
Loans for agricultural conservation purposes:														
1960.....	29,500		29,500			38,200	38,200	38,500			-300		29,200	
1961.....	29,200		29,200			37,500	37,500	41,200			-3,700		25,500	
1962.....	25,500		25,500			17,500	17,500	25,500			-8,000		17,500	
Net budget expenditures:														
1960.....												1,685,840		
1961.....												1,897,283		
1962.....												1,748,869		

¹ Consists of the following items: Sales of surplus agricultural commodities for foreign currencies—amounts to be recovered from other agencies for future sales of foreign currencies for dollars and from Department of Defense for use of foreign currencies for construction of military housing abroad. Long-term supply contracts—amounts due from foreign countries for export value of commodities furnished and interest. Reimbursement to Commodity Credit Corporation, National Wool Act—amounts of liability for accrued payments due producers which will be paid in the succeeding fiscal year. Military housing (Public Law 84-161, barter and exchange)—amount to be recovered from Department of Defense for value of agricultural commodities exchanged for construction of military housing abroad. Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation—amount available for payment of additional costs or for deposit in the Treasury as miscellaneous receipts. Soil bank—unused advance received from funds appropriated for soil bank programs and small

residual balance of unpaid acreage reserve certificates. Loans for agricultural conservation purposes—amount due from Secretary of Agriculture for advance purchase of conservation materials.

² Because of the current uncertainty of the volume of operations in 1961, no amount is included in the 1962 estimates to reimburse the Corporation for its costs.

³ The estimated appropriation of \$59,000 thousand for 1962 to reimburse the Corporation represents an amount equal to 70% of the preceding calendar year's customs receipts on wool and wool products to which reimbursement is limited in each fiscal year. The additional amounts due will be reimbursed from subsequent years' customs receipts.

⁴ Amounts bracketed are contained in "Soil bank program" under Commodity Stabilization Service.

⁵ Includes \$25,412 thousand reappropriated of which \$20 thousand was not used, and excludes \$10 thousand return of prior year balances.

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 \$45,726,000 \$44,956,000 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: *Provided further*, (1) That no part of this authorization shall be used to formulate or carry out a price-support program for 1960 under which a total amount of price support in excess of \$50,000 would be extended through loans, purchases, or purchase agreements

made or made available by Commodity Credit Corporation to any person on the 1960 production of any agricultural commodity declared by the Secretary to be in surplus supply, unless (a) such person shall reduce his production of such commodity from that which such person produced the preceding year, in such percentage, not to exceed 20 per centum, as the Secretary may determine to be essential to bring production in line within a reasonable period of time with that necessary to provide an adequate supply to meet domestic and foreign demands, plus adequate reserves, or (b) such person shall agree to repay all amounts advanced in excess of \$50,000 for any agricultural commodity within twelve months from the date of the advance of such funds or at such later date as the Secretary may determine, (2) that the term "person" shall mean an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or other legal entity, or a State, political subdivision of a State, or any agency thereof, (3) that in the case of any loan to, or purchase from, a cooperative marketing organization, or with regard to price support on an agricultural commodity extended by purchases of a product of such commodity from, or by loans on such product to, persons other than the producers of such commodity, such limitation shall not apply to the amount of price support received by the cooperative marketing organization, or other persons, but the amount of price support made available to any person through such cooperative marketing organization or other persons shall be included in determining the amount

of price support received by such person for purposes of such limitation, and (4) that the Secretary of Agriculture shall issue regulations prescribing such rules as he determines necessary to carry out this provision]. (7 U.S.C. 442-445, 624, 1282, 1901, 1385, 1391c, 1421-1432, 1441-1449, 1691-1697, 1701-1709, 1721-1724, 1731-1736, 1741-1747, 1808, 1813, 1851-1854, 1856-1857, 1859-1860; 12 U.S.C. 1148a-2; 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; 74 Stat. 6-7, 84-85, 136, 140, 186, 899, 1054; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Price-support program.....	34,600	38,522	36,005
2. Storage facilities program.....	3,254	3,474	3,474
3. Commodity export program.....	1,619	1,795	1,795
4. Special milk program.....	618	700	
Total program costs.....	40,091	44,491	41,274
5. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-42		
Total obligations.....	40,049	44,491	41,274
Financing:			
Unobligated balance lapsing.....	2,351		
Reserve for contingencies.....		1,235	3,682
Limitation.....	42,400	45,726	44,956

5. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$611 thousand; 1959 (adjusted), \$257 thousand; 1960, \$215 thousand; 1961, \$215 thousand; 1962, \$215 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
COMMODITY CREDIT CORPORATION			
11 Personnel compensation:			
Permanent positions.....	22,258	25,237	24,747
Positions other than permanent.....	2,025	2,372	937
Other personnel compensation.....	802	744	644
Total personnel compensation.....	25,085	28,353	26,328
12 Personnel benefits.....	1,611	2,167	2,056
21 Travel and transportation of persons.....	1,034	1,016	1,011
22 Transportation of things.....	146	137	137
23 Rent, communications, and utilities.....	5,589	5,671	5,259
24 Printing and reproduction.....	995	1,039	1,039
25 Other services.....	319	406	484
Services of other agencies.....	4,831	4,453	4,434
26 Supplies and materials.....	439	549	526
Total, Commodity Credit Corporation.....	40,049	43,791	41,274
ALLOCATION TO AGRICULTURAL MARKETING SERVICE			
11 Personnel compensation:			
Permanent positions.....		566	
Other personnel compensation.....		3	
Total personnel compensation.....		569	
12 Personnel benefits.....		43	
21 Travel and transportation of persons.....		59	
22 Transportation of things.....		1	
23 Rent, communications, and utilities.....		20	
24 Printing and reproduction.....		1	
25 Other services.....		2	
26 Supplies and material.....		5	
Total, Agricultural Marketing Service.....		700	
Total obligations.....	40,049	44,491	41,274

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
COMMODITY CREDIT CORPORATION			
Total number of permanent positions.....	5,058	4,767	4,570
Full-time equivalent of other positions.....	605	657	257
Average number of all employees.....	4,781	4,977	4,579
Number of employees at end of year.....	4,265	4,556	4,356
Average GS grade.....	6.3	6.4	6.5
Average GS salary.....	\$5,470	\$5,994	\$6,052
ALLOCATION TO AGRICULTURAL MARKETING SERVICE			
Total number of permanent positions.....		87	
Average number of all employees.....		84	
Number of employees at end of year.....		83	
Average GS grade.....		7.5	
Average GS salary.....		\$6,356	
Average salary of ungraded positions.....		\$4,430	

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign currency, Agricultural Trade Development and Assistance Act of 1954

Program and Financing (in thousands of U.S. dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Audit and end use checks on food commodities donated abroad (total obligations).....	100		
Financing:			
Authorization to expend foreign currency receipts (7 U.S.C. 1704).....	100		

Under section 416 of the Agricultural Act of 1949, as amended (title III of the Agricultural Trade Development and Assistance Act of 1954) food commodities are donated abroad through voluntary charitable agencies. End use checks and audits are being made to determine how effectively and appropriately donated commodities are distributed and utilized.

Object Classification (in thousands of U.S. dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO INTERNATIONAL COOPERATION ADMINISTRATION			
11 Personnel compensation: Permanent positions.....	65		
12 Personnel benefits.....	4		
21 Travel and transportation of persons.....	28		
26 Supplies and materials.....	2		
31 Equipment.....	1		
Total obligations.....	100		

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	9		
Average number of all employees.....	8		
Number of employees at end of year.....	9		
Average GS grade.....	9.4		
Average GS salary.....	\$7,754		

Analysis of Expenditures (in thousands of U.S. dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligations incurred during the year.....	100		
Expenditures.....	100		

COMMODITY CREDIT CORPORATION—Continued**Public enterprise funds—Continued****INFORMATIONAL FOREIGN CURRENCY SCHEDULE—Continued****Status of Unfounded Allocations (in thousands of U.S. dollar equivalents)**

	1960 actual	1961 estimate	1962 estimate
Allocations.....	100		
Transfer into agency account.....	100		

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 [1961] 1962 for such corporation or agency, except as hereinafter provided:

FEDERAL CROP INSURANCE CORPORATION**Current authorizations:****OPERATING AND ADMINISTRATIVE EXPENSES**

For operating and administrative expenses, [\$6,376,000] \$6,561,000. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Underwriting and actuarial analysis.....	870	1,008	1,080
2. Contract sales and servicing.....	4,785	4,866	4,777
3. Crop inspections and loss adjustments.....	687	687	704
Total program costs ¹	6,342	6,561	6,561
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	34		
Total obligations.....	6,377	6,561	6,561
Financing:			
New obligational authority.....	6,377	6,561	6,561
New obligational authority:			
Appropriation.....	6,377	6,376	6,561
Proposed supplemental due to pay increases.....		185	

¹ Includes capital outlay as follows: 1960, \$32 thousand; 1961, \$59 thousand; 1962, \$59 thousand.

This appropriation finances 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.

During 1960, the Corporation acquired at no cost property declared excess by other agencies of the Department of Agriculture, with an estimated original cost to the Government of \$2.7 thousand. Such property was used primarily for upgrading of older equipment, for use by seasonal employees, and during periods other property was being repaired.

4. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$11 thousand; 1960, \$45 thousand; 1961, \$45 thousand; 1962, \$45 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,678	3,048	3,351
Positions other than permanent.....	836	1,221	1,003
Other personnel compensation.....	24	17	3
Total personnel compensation.....	3,538	4,286	4,357
12 Personnel benefits.....	213	281	296
21 Travel and transportation of persons.....	959	1,146	1,152
22 Transportation of things.....	17	20	20
23 Rent, communications, and utilities.....	339	373	373
24 Printing and reproduction.....	143	115	115
25 Other services.....	26	28	28
Services of other agencies.....	69	74	100
Agents' commissions.....	978	118	
26 Supplies and materials.....	58	60	60
31 Equipment.....	36	60	60
Total obligations.....	6,377	6,561	6,561

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	531	544	588
Full-time equivalent of other positions.....	206	279	233
Average number of all employees.....	689	786	801
Number of employees at end of year.....	733	919	925
Average GS grade.....	6.0	6.2	6.2
Average GS salary.....	\$5,412	\$5,890	\$5,889

Public enterprise funds:**FEDERAL CROP INSURANCE CORPORATION FUND**

Not to exceed [\$2,630,000] \$2,830,000 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Indemnities, by crop:			
Barley.....	567	362	682
Beans.....	103	78	158
Citrus.....	73	571	352
Combined crop.....	2,189	228	928
Corn.....	2,967	2,901	3,718
Cotton.....	573	759	1,408
Flax.....	741	214	440
Grain sorghum.....	1	1	6
Oats.....	80	53	106
Peaches.....	55	40	79
Rice.....		8	25
Soybeans.....	265	384	880
Tobacco.....	641	470	2,112
Wheat.....	5,876	1,833	11,106
Total indemnities.....	14,131	7,902	22,000
Inspection and adjustment costs.....	710	900	900
Administrative expenses.....	568	2,630	2,830
Other expenses, net.....	119	258	330
Total program costs—obligations.....	15,528	11,690	26,060

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available:			
Insurance premiums, by crop:			
Barley.....	527	514	775
Beans.....	113	136	180
Citrus.....	313	289	400
Combined crop.....	1,289	862	1,055
Corn.....	3,418	3,551	4,225
Cotton.....	1,289	1,201	1,600
Flax.....	451	450	500
Grain sorghum.....	5	3	7
Oats.....	81	82	120
Peaches.....	48	52	90
Rice.....		15	29
Soybeans.....	603	667	1,000
Tobacco.....	1,700	2,037	2,400
Wheat.....	8,637	7,943	12,619
Total premiums.....	18,474	17,802	25,000
Interest and other receipts.....	71	100	100
Total amounts becoming available.....	18,545	17,902	25,100
Unobligated balance brought forward.....	38,710	41,727	47,939
Total amounts available.....	57,255	59,629	73,039
Unobligated balance carried forward.....	-41,727	-47,939	-46,979
Financing applied to program.....	15,528	11,690	26,060

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 to farmers against loss from unavoidable causes. Since 1948, the crop insurance program has been conducted on a limited basis in selected counties and on selected crops to obtain adequate actuarial data for the gradual 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, 1960, 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 insured farmers who 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 its policy of gradually expanding the program to additional crops and counties. For the 1961 crop year (fiscal year 1962) the crop insurance program will be increased by 25 counties. The following table indicates the scope of the insurance program planned for 1960, 1961, and 1962. Amounts in the 1960 column are actual and pertain to the 1959 crop year. The 1961 column pertains to

the 1960 crop year and reflects the current favorable growing conditions for the 1960 insured crops. Indemnities shown in the 1962 column are estimated at 90% of the premium.

	1960 fiscal year (1959 crop year) actual	1961 fiscal year (1960 crop year) estimate	1962 fiscal year (1961 crop year) estimate
Number of States.....	38	38	38
Number of counties.....	847	870	895
Estimated insurance outstanding, beginning of fiscal year (in thousands).	\$269,378	\$263,000	\$365,000
Number of crops insured.....	339,463	330,525	390,000
Premiums (in thousands).....	\$18,474	\$17,802	\$25,000
Indemnities (in thousands).....	\$14,131	\$7,902	\$22,000
Loss ratio.....	.76	.44	.90

Financing.—Income from operations for the past 3 years will provide adequate operating funds for 1962. Therefore, no additional capital funds are being requested for program operations. The authority to pay an increased amount of operating and administrative expenses from premium income, proposed for 1962, is required to cover the cost of servicing the additional crops insured and new counties budgeted for the 1962 crop year. Legislation will be proposed to permit the inclusion, on a gradual basis, of administrative expenses in the determination of premium rates.

Operating results and financial condition.—Preliminary estimates for crop year 1960 (fiscal year 1961) indicate a favorable loss ratio for the fourth consecutive year. Premiums of \$17.8 million are currently estimated to exceed indemnities by \$9.9 million. For the crop years 1948 through 1959, premium income of \$226.6 million exceeded indemnity costs of \$220.2 million by \$6.4 million. Premium income exceeded indemnity costs in 6 years of the 12-year period. As of June 30, 1960, the Corporation's surplus was \$1.7 million. The favorable loss experience which occurred the past 3 years is responsible for the elimination of the deficit which previously existed.

The following table summarizes the insurance operations by commodities for 1960, 1961, and 1962 (in thousands of dollars).

NET INCOME OR LOSS (—) ON INSURANCE OPERATIONS,
BY COMMODITIES

[Fiscal years ending June 30, 1960, 1961, and 1962]

	1960 actual (1959 crop year)	1961 estimate (1960 crop year)	1962 estimate (1961 crop year)
Barley.....	-39.8	152.0	93.0
Beans.....	10.6	58.0	22.0
Citrus.....	239.9	-282.0	48.0
Combined crop.....	-900.4	634.0	127.0
Corn.....	450.5	650.0	507.0
Cotton.....	716.4	442.0	192.0
Flax.....	-290.0	236.0	60.0
Grain sorghum.....	3.3	2.0	1.0
Oats.....	1.1	29.0	14.0
Peaches.....	-6.1	12.0	11.0
Rice.....		7.0	4.0
Soybeans.....	337.9	283.0	120.0
Tobacco.....	1,058.8	1,567.0	288.0
Wheat.....	2,760.7	6,110.0	1,513.0
Excess of premiums over indemnities.....	4,342.9	9,900.0	3,000.0
Inspection and adjustment costs (—).....	-710.1	-900.0	-900.0
Administrative expenses charged to premium income (—).....	-568.1	-2,630.0	-2,830.0
Other income or expense, net (—).....	-48.1	-158.0	-230.0
Net income or loss (—).....	3,016.6	6,212.0	-960.0

FEDERAL CROP INSURANCE CORPORATION—Continued

Public enterprise funds—Continued

FEDERAL CROP INSURANCE CORPORATION FUND—Continued
SUMMARY OF INSURANCE OPERATIONS AND ADMINISTRATIVE EXPENSES

	1960 actual (1959 crop year)	1961 estimate (1960 crop year)	1962 estimate (1961 crop year)
Net income or loss (—)	3,016.6	6,212.0	—960.0
Funds appropriated for administrative expenses	6,376.7	6,561.0	6,561.0
Total net loss (—)	—3,360.1	—349.0	—7,521.0

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Indemnities	14,131	7,902	22,000
Inspection and adjustment costs	710	900	900
Administrative expense charged to program operations	568	2,630	2,830
Other expense, net	108	100	100
Increase in selected working capital	666		
Total gross expenditures	16,182	11,532	25,830
Receipts from operations (funds provided):			
Insurance premiums	18,474	17,802	25,000
Interest and other income, net	71	100	100
Decrease in selected working capital		358	750
Total receipts from operations	18,545	18,260	25,850
Budget expenditures	—2,363	—6,728	—20

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue	18,545	17,902	25,100
Expense	15,528	11,690	26,060
Net income or loss (—) for year	3,017	6,212	—960
Retained earnings or deficit (—), beginning of year	—1,290	1,727	7,939
Retained earnings, end of year	1,727	7,939	6,979

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury	43,548	50,276	50,296
Accounts receivable, net	4,512	4,446	4,466
Total assets	48,059	54,722	54,762
Liabilities:			
Current	6,332	6,783	7,783
Government investment:			
Non-interest-bearing capital (start and end of year)	40,000	40,000	40,000
Retained earnings	1,727	7,939	6,979
Total Government investment	41,727	47,939	46,979

Note.—Excludes contingent liabilities representing estimated insurance coverage on 1960, 1961, and 1962 crops in the following amounts: 1960, \$263 million; 1961, \$365 million; and 1962, \$380 million.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury	41,185	43,548	50,276	50,296
Obligated balance, net:				
Current liabilities	6,874	6,332	6,783	7,783
Accounts receivable, net (—)	—4,400	—4,512	—4,446	—4,466
Total obligated balance	2,474	1,820	2,337	3,317
Unobligated balance	38,710	41,727	47,939	46,979

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent	420	543	618
12 Personnel benefits	11	16	18
21 Travel and transportation of persons	278	340	392
23 Rent, communications, and utilities	1	1	1
25 Other services: Agents' commissions	568	2,630	2,701
42 Insurance claims and indemnities	14,131	7,902	22,000
Undistributed	119	258	330
Total obligations	15,528	11,690	26,060

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees	101	122	139
Number of employees at end of year	366	375	375

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Contract sales and servicing (total costs—obligations)	1	2	
Financing:			
Advances and reimbursements from—			
Other accounts		1	
Non-Federal sources (40 U.S.C. 481 (c))	1	1	
Total financing	1	2	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials			1
31 Equipment	1	1	
Total obligations	1	2	

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, **[\$110,000,000]** \$115,000,000; and rural telephone program, **[\$80,000,000]** \$100,000,000; and an additional [amounts] amount not to exceed **[\$60,000,000 for each program]** \$30,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during the fiscal year **[1961]** 1962 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Rural electrification.....	222,621	208,000	220,000
2. Rural telephone.....	98,384	110,000	110,000
Total program costs.....	321,005	318,000	330,000
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....			-84,000
Obligations incurred for costs of other years, net.....	4,103	13,000	
Total obligations (object class 33).....	325,108	331,000	246,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	-210,613	-135,629	-27,629
Recovery of prior obligations.....	-10,124	-3,000	-3,500
Unobligated balance carried forward (authorization to expend from public debt receipts).....	135,629	27,629	129
Unobligated balance lapsing (authorization to expend from public debt receipts).....	25,000	90,000	30,000
New obligational authority (authorization to expend from public debt receipts).....	265,000	310,000	245,000

The Administration conducts two major programs: (a) the rural electrification program to provide electric service to farms and other rural establishments; and (b) the rural telephone program to furnish and improve telephone service in rural areas. Funds for making loans are borrowed from the Secretary of the Treasury.

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, 1960, about 97% 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

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Loan funds available:			
New loan authorization (including reserves).....	161,000	170,000	145,000
Carryover from prior year.....	210,590	135,603	27,603
Rescissions of prior loans.....	9,121	2,000	2,500
Total loan funds available.....	380,711	307,603	175,103
Less—			
Loans approved.....	220,108	220,000	145,000
Reserves not used.....	25,000	60,000	30,000
Balance to next year.....	135,603	27,603	103

Program Statistics

[Dollars in thousands]

Cumulative net loans.....	\$4,153,326	\$4,371,326	\$4,513,826
Cumulative funds advanced.....	\$3,580,884	\$3,788,884	\$4,008,884
Unadvanced funds, end of year.....	\$572,442	\$582,442	\$504,942
Cumulative principal repaid.....	\$874,686	\$979,686	\$1,094,686
Cumulative interest paid.....	\$422,019	\$476,274	\$537,164
Cumulative miles energized (thousands).....	1,454	1,471	1,488
Cumulative consumers served (thousands).....	4,767	4,877	4,987
Number of borrowers.....	1,087	1,088	1,088

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 70% of the farms now have telephone service. Cumulative Rural Electrification Administration loans through June 30, 1960, will eventually provide initial or improved service to an estimated 1,372 thousand rural subscribers.

STATUS OF THE TELEPHONE PROGRAM

Program Financing

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Loan funds available:			
New loan authorization (including reserves for 1960 and 1961).....	104,000	140,000	100,000
Carryover from prior year.....	23	26	26
Rescissions of prior loans.....	1,003	1,000	1,000
Total loan funds available.....	105,026	141,026	101,026
Less—			
Loans approved.....	105,000	111,000	101,000
Balance of 1961 reserve not used.....		30,000	
Balance to next year.....	26	26	26

Program Statistics

[Dollars in thousands]

Cumulative net loans.....	\$679,210	\$789,210	\$889,210
Cumulative funds advanced.....	\$501,262	\$611,262	\$721,262
Unadvanced funds, end of year.....	\$177,948	\$177,948	\$167,948
Cumulative principal repaid.....	\$20,950	\$29,950	\$39,950
Cumulative interest paid.....	\$15,336	\$24,586	\$36,721
Route miles of line constructed or improved, cumulative (thousands).....	219	259	297
Subscribers, new and improved service, cumulative (estimated) (thousands).....	915	1,100	1,275
Number of borrowers.....	705	755	795

RURAL ELECTRIFICATION ADMINISTRATION— Continued

Current authorizations—Continued

LOAN AUTHORIZATIONS—Continued

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Undisbursed loan obligations.....	756,411	750,390	760,390	672,890
Selected resources at start of year (—).....		-756,411	-750,390	-760,390
Adjustment due to recovery of prior obligations.....		10,124	3,000	3,500
Costs financed from obligations of other years, net (—).....				-84,000
Obligations incurred for costs of other years, net.....		4,103	13,000	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
For the fiscal year:			
Lending operations:			
Interest income.....	61,726	65,770	70,100
Expense:			
Interest expense (statutory rates) ¹	60,356	64,150	68,500
Provision for possible losses on loans.....			
Total expense.....	60,356	64,150	68,500
Net difference ¹	1,370	1,620	1,600
Administrative expenses (provided by annual appropriations): Salaries and expenses.....	9,501	10,024	10,024
Cumulative to end of fiscal year:			
Lending operations:			
Interest income.....	590,134	655,904	726,004
Expense:			
Interest expense (statutory rates) ¹	530,160	594,310	662,810
Provision for possible losses on loans.....	9,090	9,090	9,090
Losses on foreclosed loans.....	44	44	44
Total expense.....	539,294	603,444	671,944
Net difference ¹	50,840	52,460	54,060
Administrative expenses (provided by annual appropriations): Salaries and expenses.....	134,835	144,859	154,883

¹ Does not take into consideration the interest costs incurred by Treasury in excess of the amount received from the Rural Electrification Administration for funds made available to finance the Rural Electrification Administration lending programs.

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Loans and interest receivable, net.....	3,330,154	3,536,500	3,738,550
Cash with Treasury.....	18,319	3,370	3,370
Cash on hand.....	437	450	450
Travel advances and current receivables.....	99	100	100
Total assets.....	3,349,010	3,540,420	3,742,470
Liabilities:			
Current.....	615	635	635
Trust and deposit.....	267	300	300
Total liabilities.....	882	935	935
Government investment:			
Borrowings from Treasury.....	3,154,651	3,344,387	3,544,837
Appropriated administrative funds, net.....	134,853	144,877	154,901

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment—Continued			
Appropriated loan funds, net.....	142,620	142,620	142,620
Net difference between income and expense.....	50,840	52,460	54,060
Administrative expenses (—).....	-134,835	-144,859	-154,883
Total Government investment.....	3,348,128	3,539,485	3,741,535

Note.—Undisbursed loan commitments outstanding are as follows: 1959, \$756,411 thousand; 1960, \$750,390 thousand; 1961, \$760,390 thousand; 1962, \$672,890 thousand.

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), [**\$9,632,000**] \$10,024,000. (5 U.S.C. 511-512; 7 U.S.C. 901-924; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration of rural electrification program.....	4,714	4,945	4,945
2. Administration of rural telephone program.....	4,788	5,079	5,079
Total program costs ¹	9,502	10,024	10,024
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	4		
Total obligations.....	9,507	10,024	10,024
Financing:			
Unobligated balance lapsing.....	125		
New obligational authority.....	9,632	10,024	10,024
New obligational authority:			
Appropriation.....	9,632	9,632	10,024
Proposed supplemental due to pay increases.....		392	

¹ Includes capital outlay as follows: 1960, \$44 thousand; 1961, \$66 thousand; 1962, \$60 thousand.

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.

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$14 thousand; 1960, \$18 thousand; 1961, \$18 thousand; 1962, \$18 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7,391	7,860	7,860
Positions other than permanent.....	38	48	48
Other personnel compensation.....	62	37	37
Total personnel compensation.....	7,491	7,945	7,945

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	517	602	602
21 Travel and transportation of persons.....	1,029	1,053	1,053
22 Transportation of things.....	14	20	20
23 Rent, communications, and utilities.....	136	137	137
24 Printing and reproduction.....	114	105	105
25 Other services.....	23	20	20
Services of other agencies.....	88	41	41
26 Supplies and materials.....	40	41	41
31 Equipment.....	53	60	60
Total obligations.....	9,507	10,024	10,024

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,041	1,039	1,039
Full-time equivalent of other positions.....	3	4	4
Average number of all employees.....	989	964	964
Number of employees at end of year.....	969	953	960
Average GS grade.....	9.3	9.3	9.3
Average GS salary.....	\$7,459	\$8,060	\$8,104

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration of rural electrification program.....	5	2	-----
2. Administration of rural telephone program.....	5	2	-----
Total program costs—obligations.....	10	4	-----
Financing:			
Advances and reimbursements from—			
Other accounts.....	6	4	-----
Non-Federal sources (40 U.S.C. 481(c)).....	4	-----	-----
Total financing.....	10	4	-----

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	5	4	-----
21 Travel and transportation of persons.....	2	-----	-----
31 Equipment.....	4	-----	-----
Total obligations.....	10	4	-----

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	1	1	-----
Number of employees at end of year.....	0	0	-----
Average GS grade.....	11.3	4.4	-----
Average GS salary.....	\$7,410	\$4,400	-----

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, [\$26,900,000] \$20,000,000, 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 lands; title II of the Bankhead-Jones Farm Tenant Act, as amended, [\$197,100,000] \$160,000,000; the Act of August 28, 1937, as amended, \$3,000,000: *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 \$40,000,000, may be borrowed under the same terms and conditions to the extent that such amount is required during fiscal year 1961 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]. (*Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Farm ownership loans.....	27,428	30,747	21,680
2. Farm operating loans.....	198,710	196,650	160,350
3. Soil and water conservation loans.....	3,000	3,493	3,080
4. Farm housing loans.....	43,250	39,947	1,900
Total program costs.....	272,388	270,837	187,010
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-5,669	-----	-4,010
Obligations incurred for costs of other years, net.....	-----	1,163	-----
Total obligations (object class 33).....	266,719	272,000	183,000
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	-337,462	-297,462	-----
Recovery of prior year obligations.....	-1,017	-----	-----
Unobligated balance carried forward (authorization to expend from public debt receipts).....	297,462	-----	-----
Unobligated balance lapsing.....	298	292,462	-----
New obligational authority (authorization to expend from public debt receipts).....	226,000	267,000	183,000

The Administration makes and insures loans to farmers unable to obtain credit from other sources at reasonable rates. The total borrowing authorization requested in 1962 for loans amounts to \$183 million and compares to the 1961 authorization of \$227 million plus a contingency

FARMERS HOME ADMINISTRATION—Continued

Current authorizations—Continued

LOAN AUTHORIZATIONS—Continued

authorization of \$40 million of which not to exceed \$5 million may be made available for farm ownership loans.

The present authority to make loans to farmers and ranchers is the cumulative result of the enactment of many separate laws over a long period of years. Legislation is being proposed to simplify, consolidate, and improve the authority of the Secretary to make loans, and to provide for a revolving fund basis of operation.

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. Until June 30, 1961, loans may be made to farm owners primarily 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 at least 0.5% as an administrative expense charge. The Administration services these insured loans, makes collections, and pays the lender.

FARM OWNERSHIP LOANS

[Dollars in thousands]

	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	16,717	-----	17,495	-----	16,945	-----
Direct loans.....	1,762	26,887	2,145	31,900	1,240	20,000
Insured loans.....	1,204	16,885	1,490	20,000	1,620	25,000

2. *Farm operating loans.*—Direct loans are made for periods up to 7 years at 5% interest in amounts up to \$10 thousand, with a limitation of \$20 thousand 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

[Dollars in thousands]

	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	106,125	-----	106,300	-----	101,350	-----
Number of loans.....	69,416	-----	61,380	-----	51,230	-----
Amount.....	\$197,100	-----	\$197,100	-----	\$160,000	-----

3. *Soil and water conservation loans.*—Direct and insured loans are made to farmers and associations for the effective development and utilization of water supplies and for the improvement of farmland by soil and water conserving facilities and practices. Interest rates on these loans usually are set administratively at the same rates as farm

ownership loans (5%) except that currently direct loans to associations are carrying a rate of one-half of one percent below loans to individuals. On each insured loan, 0.5% as an insurance premium and at least 0.5% as an administrative expense charge is retained by the Government. Loans are made for periods up to 20 years for individuals and 40 years for associations.

SOIL AND WATER CONSERVATION LOANS

[Dollars in thousands]

	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
Number of applications.....	1,685	-----	1,875	-----	1,875	-----
Direct loans:						
To individuals..	306	\$1,193	285	\$1,400	285	\$1,400
To groups.....	21	804	22	1,600	22	1,600
Insured loans:						
To individuals..	210	873	275	1,100	275	1,100
To groups.....	4	51	8	400	8	400

4. *Farm housing loans.*—Direct farm housing loans are made to farmowners for periods up to 33 years at 4% interest to construct, improve, alter, repair, or replace dwellings and other farm buildings. It is estimated that \$40 million will be borrowed from the Treasury in 1961 from the balance of \$292 million available at June 30, 1960. The current authority expires June 30, 1961. Loans similar to the farm housing loans will be authorized under the proposed general loan legislation referred to above.

FARM HOUSING LOANS

	1960 actual	1961 estimate	1962 estimate
Number of applications.....	11,641	14,600	-----
Number of loans.....	5,348	5,255	-----
Amount of loans (in thousands).....	\$40,736	\$40,000	-----

COLLECTIONS OF PRINCIPAL AND INTEREST

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Direct farm ownership loans.....	27,411	30,465	31,300
Farm operating loans.....	186,231	199,762	212,587
Direct soil and water conservation loans..	4,172	3,800	3,665
Farm housing loans.....	18,533	23,340	26,720
Total.....	236,347	257,367	274,272

5. *Relation of costs to obligations.*—The relationship of program costs to loan obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table (in thousands of dollars).

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Undisbursed loan obligations.....	10,660	3,973	5,136	1,126
Selected resources at start of year (—).....	-----	—10,660	—3,973	—5,136
Adjustment of selected resources reported at start of year.....	-----	1,018	-----	-----
Costs financed from obligations of other years, net (—).....	-----	—5,669	-----	—4,010
Obligations incurred for costs of other years, net....	-----	-----	1,163	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
For the fiscal year:			
Lending operations:			
Income:			
Interest on loans.....	37,502	40,528	42,056
Other income.....	32	29	29
Total income.....	37,534	40,557	42,085

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
For the fiscal year—Continued			
Lending operations—Continued			
Expense:			
Interest on borrowings.....	8,763	9,980	9,530
Losses and write-offs.....	11,438	10,552	8,909
Other expense.....	1		
Increase or decrease (—) in allowance for losses:			
Loans.....	—4,650	2,315	450
Interest and other.....	—1,397	—2,173	—1,333
Total expense.....	14,155	20,674	17,556
Net income from lending opera- tions ¹	23,379	19,883	24,529
Administrative expense (provided by annual appropriations).....	30,780	33,102	33,422
Cumulative to end of fiscal year:			
Lending operations: Income:			
Net results of prior year operations ¹	166,746	190,125	210,008
Net income for year ¹	23,379	19,883	24,529
Total lending operations ¹	190,125	210,008	234,537
Administrative expenses (provided by annual appropriations):			
Prior year expense.....	350,665	381,445	414,547
For the year.....	30,780	33,102	33,422
Total administrative expenses.....	381,445	414,547	447,969

¹ Does not take into consideration the interest costs incurred by Treasury on loan funds appropriated to Farmers Home Administration.

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash.....	16,300	16,760	13,556
Interest on loans and accounts receivable, net.....	24,746	26,578	28,723
Other current assets.....	256	256	256
Total current assets.....	41,302	43,594	42,535
Loans receivable.....	892,409	940,857	888,607
Allowance for losses on loans receivable (—).....	—78,817	—81,132	—81,582
Fixed property and equipment, net.....	2,435	2,435	2,435
Judgments and acquired security, net.....	1,087	1,185	1,159
Total assets.....	858,416	906,939	853,154
Liabilities:			
Current.....	2,947	2,971	3,080
Government investment:			
Borrowings from Treasury.....	333,190	358,240	276,815
Appropriations.....	527,333	564,322	601,139
Assets taken over from prior agencies, net.....	438,180	438,180	438,180
Results from lending operations, net.....	190,125	210,008	234,537
Administrative expenses (—).....	—381,445	—414,547	—447,969
Depreciation on automotive equipment (—).....	—12	—12	—12
Deposit of general and special fund reve- nue (—).....	—251,902	—252,223	—252,616
Total Government investment.....	855,469	903,968	850,074

Note.—Undisbursed loan commitments outstanding are as follows: 1959, \$11,027 thousand; 1960, \$4,379 thousand; 1961, \$5,639 thousand; 1962, \$2,326 thousand.

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, **[\$31,050,000]**

\$33,317,000, together with a transfer of not to exceed \$1,050,000 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration of direct and insured loan programs (total program costs ¹).....	31,693	34,067	34,367
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—93		
Total obligations.....	31,600	34,067	34,367
Financing:			
Advanced from the "Farm tenant-mortgage insurance fund".....	—925	—1,050	—1,050
Unobligated balance lapsing.....	70		
New obligational authority.....	30,745	33,017	33,317
New obligational authority:			
Appropriation.....	30,745	31,050	33,317
Proposed supplemental due to pay increases.....		1,967	

¹ Includes capital outlay as follows: 1960, \$74 thousand; 1961, \$70 thousand; 1962, \$70 thousand.

1. 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.

During 1960, the value of property, acquired at no cost to the Farmers Home Administration, which had been declared excess by other Federal agencies, had an original acquisition cost to the Government of approximately \$4.1 thousand. Such property consisted primarily of office furnishings and was used for the upgrading of older equipment.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores.....	176	158	158	158
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	124	18	18	18
Total selected resources at end of year.....	300	176	176	176
Selected resources at start of year (—).....		—300	—176	—176
Adjustment of selected resources reported at start of year.....		31		
Costs financed from obligations of other years, net (—).....		—93		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	24,557	26,438	26,744
Positions other than permanent.....	551	581	590
Other personnel compensation.....	271	188	89
Total personnel compensation.....	25,379	27,207	27,423

FARMERS HOME ADMINISTRATION—Continued**Current authorizations—Continued****SALARIES AND EXPENSES—Continued****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	1,694	2,066	2,092
21 Travel and transportation of persons.....	2,684	2,840	2,860
22 Transportation of things.....	98	76	76
23 Rent, communications, and utilities.....	1,413	1,443	1,465
24 Printing and reproduction.....	89	99	100
25 Other services.....	147	163	178
26 Supplies and materials.....	70	102	102
31 Equipment.....	26	71	71
Total obligations.....	31,600	34,067	34,367

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	4,755	4,447	4,474
Full-time equivalent of other positions.....	374	386	388
Average number of all employees.....	4,804	4,723	4,765
Number of employees at end of year.....	8,923	8,780	8,790
Average GS grade.....	6.2	6.8	6.7
Average GS salary.....	\$5,498	\$6,063	\$6,082

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—economic," funds appropriated to the President.
 "Watershed protection," Soil Conservation Service.
 "Flood prevention," Soil Conservation Service.

Public enterprise funds:**DISASTER LOANS, ETC., REVOLVING FUND****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Capital outlay:			
1. Loan commitments:			
(a) Production emergency loans.....	20,377	19,950	19,950
(b) Economic emergency loans.....	844	600	400
(c) Special livestock loans.....	1,675	900	50
(d) Other loans.....	51	50	50
2. Judgments and collateral acquired.....	40	42	55
Total capital outlay.....	22,986	21,542	20,505
Operations:			
3. Administrative expenses.....	2,087	2,697	2,697
4. Other expenses.....	1,539	370	397
Total operations.....	3,626	3,067	3,094
Total obligations.....	26,612	24,609	23,599
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Repayments on loans.....	40,845	24,571	18,152
Proceeds from sale of acquired chattels.....	1		
Repayments on judgments.....	40	42	48
Interest revenue.....	2,123	1,689	1,605
Other revenue.....	2	2	2
Recovery of prior year obligations.....	131		
Total amounts becoming available.....	43,143	26,304	19,807
Unobligated balance brought forward.....	67,958	84,489	86,184
Total amounts available.....	111,101	110,793	105,991

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward.....	—84,489	—86,184	—82,392
Financing applied to program.....	26,612	24,609	23,599

Purpose and financial organization.—This fund finances loans to farmers and stockmen in the event of disasters and other emergencies, in areas where agricultural credit is not readily available. The fund is also 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. Legislation is being proposed to require the States to share a greater part of the costs of farm disaster relief assistance.

Budget program—1. *Loan commitments*—(a) *Production emergency loans.*—Loans are made at 3% interest to farmers and stockmen suffering production disasters.

(b) *Economic emergency loans.*—Loans may be 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) *Other loans.*—Where necessary to protect the Government's investment, obligations are incurred in connection with outstanding loans to provide for payment of such costs as taxes and insurance. Such advances are charged to the borrowers' accounts.

3. *Administrative expenses.*—The principal administrative expenses are related to the loan programs of the Farmers Home Administration. These expenses are estimated at \$2.6 million in each of the years 1961 and 1962. Administrative expenses of the Commodity Stabilization Service are estimated at \$110 thousand in 1961 and \$100 thousand in 1962, in connection with the emergency feed program. Administrative expenses for the Office of the General Counsel are estimated at \$19 thousand in 1961 and \$29 thousand in 1962.

Financing the budget program.—No new budgetary authorization is required for 1962. A net loss of \$2.2 million is estimated on an accrual basis. Net expenditures of \$3.9 million are anticipated on a cash basis due primarily to estimated excess loan advances over loan repayments during the year. During 1962, the program will be wholly financed by receipts from operations.

Operating results and financial condition.—Revenue for 1962, consisting principally of interest on loans, is estimated at \$1.6 million, compared to expenses of \$3.8 million, resulting in an estimated loss of \$2.2 million. A net loss of \$2.1 million is estimated for 1961, and a net loss of \$0.4 million resulted in 1960. The improved repayment record on emergency loans dictated the need for a downward revision in the formula for determining valuation reserves on loans during 1960. This change resulted in reduced losses during that year.

Loans receivable, after allowance for losses, are expected to amount to \$35.3 million on June 30, 1962, as

compared with \$33.7 million at June 30, 1961, and \$37.5 million on June 30, 1960.

The Government investment at June 30, 1962, is expected to be \$118.5 million, consisting of \$205.9 million appropriated and donated, less a deficit of \$87.3 million.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans.....	23,614	21,500	20,450
Acquisitions in lieu of interest receivable:			
Collateral.....	18	4	3
Judgments taken.....	22	38	52
Expense.....	2,344	2,949	2,969
Increase in selected working capital.....		245	209
Total gross expenditures.....	25,998	24,736	23,683
Receipts from operations (funds provided):			
Loan program:			
Repayments on loans.....	40,845	24,571	18,152
Proceeds from sale of collateral.....	1		
Repayments on judgments.....	40	42	48
Revenue.....	2,126	1,691	1,607
Decrease in selected working capital.....	771		
Total receipts from operations.....	43,783	26,304	19,807
Budget expenditures.....	-17,785	-1,568	3,876

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Operating program:			
Revenue.....	2,126	1,691	1,607
Expense.....	2,480	3,827	3,759
Net operating loss (-).....	-354	-2,136	-2,152
Nonoperating income: Proceeds from sale of collateral.....	1		
Net loss (-) for the year.....	-353	-2,136	-2,152
Deficit (-), beginning of year.....	-82,679	-83,032	-85,168
Deficit (-), end of year.....	-83,032	-85,168	-87,320

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	81,543	83,111	79,235
Accounts receivable, net.....	3,584	3,700	3,784
Loans receivable, net.....	37,523	33,676	35,305
Acquired security or collateral.....	115	99	72
Judgments, net.....	222	254	292
Total assets.....	122,987	120,840	118,688
Liabilities:			
Current.....	161	150	150
Government investment:			
Non-interest-bearing capital.....	205,858	205,858	205,858
Deficit (-).....	-83,032	-85,168	-87,320
Total Government investment.....	122,826	120,690	118,538

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	63,758	81,543	83,111	79,235
Obligated balance, net:				
Current liabilities.....	240	161	150	150
Undisbursed loan commitments.....	1,145	477	477	477

Status of Certain Fund Balances (in thousands of dollars)—Continued

	1959 actual	1960 actual	1961 estimate	1962 estimate
Obligated balance, net—Continued				
Accounts receivable, net, and cash in transit (-).....	-5,585	-3,584	-3,700	-3,784
Total obligated balance.....	-4,200	-2,946	-3,073	-3,157
Unobligated balance.....	67,958	84,489	86,184	82,392

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
FARMERS HOME ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	1,618	1,804	1,695
Positions other than permanent.....	82	399	511
Other personnel compensation.....	15	15	7
Total personnel compensation.....	1,715	2,218	2,213
12 Personnel benefits.....	113	151	146
21 Travel and transportation of persons.....	155	194	204
24 Printing and reproduction.....	5	5	5
33 Investments and loans.....	22,986	21,542	20,505
Undistributed charges.....	1,539	370	397
Total, Farmers Home Administration.....	26,513	24,480	23,470
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	69	79	86
Positions other than permanent.....	3	11	3
Total personnel compensation.....	73	90	89
12 Personnel benefits.....	5	6	7
21 Travel and transportation of persons.....	11	14	14
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	2	3	3
25 Other services.....	1	1	1
Advanced to—			
"Local administration, sec. 388, Agricultural Adjustment Act of 1938, Agriculture" (7 U.S.C. 1388).....		6	6
"Administrative expenses, sec. 392, Agricultural Adjustment Act of 1938" (7 U.S.C. 1392).....	6	6	6
26 Supplies and materials.....		2	2
Total, allotment accounts.....	99	129	129
Total obligations.....	26,612	24,609	23,599
Obligations are distributed as follows:			
Farmers Home Administration.....	26,513	24,480	23,470
Commodity Stabilization Service.....	82	110	100
Office of the General Counsel.....	17	19	29

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
FARMERS HOME ADMINISTRATION			
Total number of permanent positions.....	330	340	312
Full-time equivalent of other positions.....	18	76	97
Average number of all employees.....	336	403	404
Number of employees at end of year.....	329	365	355
Average GS grade.....	5.5	5.9	6.0
Average GS salary.....	\$5,077	\$5,506	\$5,511
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	10	9	10
Full-time equivalent of other positions.....	1	2	1
Average number of all employees.....	9	9	10
Number of employees at end of year.....	8	3	3
Average GS grade.....	6.3	6.4	6.5
Average GS salary.....	\$5,471	\$5,994	\$6,053

FARMERS HOME ADMINISTRATION—Continued

Public enterprise funds—Continued

FARM TENANT-MORTGAGE INSURANCE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Capital outlay:			
Loans made:			
For payment of delinquent installments	2,430	2,000	2,000
For other advances	87	100	85
From fund for later sale	338	1,000	1,000
Purchase of loans from lenders	9,907	10,750	16,650
Collateral acquired by default	19		
Total capital outlay	12,781	13,850	19,735
Operations:			
Administrative expenses	925	1,050	1,050
Costs incident to acquired real estate	5	5	5
Writeoffs—accounts receivable	1	1	1
Interest on borrowings from Treasury	1,308	1,392	1,455
Total operations	2,239	2,448	2,511
Total obligations	15,020	16,298	22,246
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts (permanent indefinite)	6,245	1,082	8,325
Revenue and receipts:			
Repayments on advances and loans held	5,513	6,485	7,300
Sale of loans	610	5,000	3,090
Proceeds from sale of acquired real estate	92	120	140
Insurance premiums	2,035	2,150	2,240
Interest income	1,199	1,350	1,420
Fees and other income	32	45	54
Recovery of prior year obligations	100		
Total amounts becoming available	15,826	16,232	22,569
Unobligated balance brought forward	2,919	3,725	3,659
Total amounts available	18,745	19,957	26,228
Unobligated balance carried forward	-3,725	-3,659	-3,982
Financing applied to program	15,020	16,298	22,246

Purpose and financial organization.—This fund, authorized in the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1005(a)), is used to insure 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 of not less than 5 years, 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), authorizes the making of loans from the fund to be sold individually or in blocks and insured. Up to \$5 million may be borrowed from the Secretary of the Treasury to facilitate the blocking of such loans. Interest paid the Secretary of the Treasury on borrowings is based on the current average market yields of outstanding marketable obligations of the United States.

Budget program.—Loan advances and purchases are estimated at \$19.7 million in 1962, an increase of \$5.9 million over 1961 and an increase of \$7 million over 1960. Included is \$1 million in 1961 and \$1 million in 1962 for

making loans which will later be sold on an insured basis. The increase in purchases of loans is attributable to the prevailing interest rate situation which makes unattractive the further retention of loans carrying 3 and 3½% interest to the holder, which currently are eligible for redemption.

Financing.—In order to finance operations, 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 \$1.1 million in 1961. Net borrowings from the Treasury of \$8.3 million are anticipated in 1962.

Operating results and retained earnings.—Total income, consisting principally of insurance premiums, is estimated at \$3.7 million in 1962, an increase of about \$0.2 million from 1961.

The need to purchase loans is expected to result in outstanding loans receivable of \$52.4 million at June 30, 1962. Retained earnings, available to cover future losses, are estimated to be \$10.6 million at the end of 1962. These earnings, when added to the \$1 million appropriation and estimated borrowings of \$44.9 million from the Treasury, represent a \$56.5 million Government investment.

POSITION WITH RESPECT TO INSURANCE AUTHORITY

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Annual mortgage insurance authority	150,000	150,000	150,000
Charges against mortgage insurance authority during the year:			
Mortgages insured	14,855	19,100	24,100
Commitments to insure pending advances by lenders	3,729	2,400	2,400
Mortgages accepted for the account of the fund, net	387	350	300
Total charges against authority	18,971	21,850	26,800
Unused insurance authority	131,029	128,150	123,200

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loans made:			
Payment of delinquent installments	2,430	2,000	2,000
Advances on behalf of borrowers	93	100	85
From fund for later sale	1,109	1,000	1,000
Purchase of loans from lenders	10,209	10,750	16,650
Acquired property	19		
Expense	2,239	2,448	2,511
Increase in selected working capital	197	89	433
Total gross expenditures	16,296	16,387	22,679
Receipts from operations (funds provided):			
Loan repayments:			
On advances and loans held	5,513	6,485	7,300
Sale of loans	610	5,000	3,090
Sale of acquired property	92	120	140
Revenue	3,266	3,545	3,714
Total receipts from operations	9,481	15,150	14,244
Budget expenditures	6,815	1,237	8,435

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Operating program:			
Revenue	3,266	3,545	3,714
Expense	2,275	2,488	2,551
Net income	991	1,057	1,163

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Nonoperating income or loss (—):			
Proceeds from disposition of acquired property:			
Cash sales.....	92	120	140
Exchanged for loans receivable.....	75	140	150
Total proceeds from disposition of acquired property.....	167	260	290
Net book value of assets sold (—).....	—170	—257	—284
Net nonoperating income or loss (—).....	—3	3	6
Net income for the year.....	988	1,060	1,169
Retained earnings, beginning of year.....	7,460	8,448	9,508
Retained earnings, end of year.....	8,448	9,508	10,677

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,046	891	781
Accounts receivable, net.....	2,714	2,803	3,236
Loans receivable, net.....	40,957	43,192	52,417
Judgments.....	1	1	1
Property acquired through foreclosure.....	203	176	122
Total assets.....	44,921	47,063	56,557
Liabilities:			
Current.....	8	8	8
Government investment:			
Interest-bearing capital:			
Start of year.....	29,220	35,465	36,547
Borrowings from Treasury during year, net.....	6,245	1,082	8,325
End of year.....	35,465	36,547	44,872
Non-interest-bearing capital (start and end of year).....	1,000	1,000	1,000
Retained earnings.....	8,448	9,508	10,677
Total Government investment.....	44,913	47,055	56,549

Note.—This statement excludes contingent liabilities for insured loans as follows: 1960, \$168 thousand; 1961, \$171 thousand; 1962, \$170 thousand.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	1,616	1,046	891	781
Obligated balance, net:				
Current liabilities.....	6	8	8	8
Undisbursed commitments to purchase loans.....	339			
Undisbursed commitments to make loans from fund.....	864	26	26	26
Undisbursed commitments to pay recoverable loan costs.....	3	1	1	1
Accounts receivable, net (—).....	—2,515	—2,714	—2,803	—3,236
Total obligated balance.....	—1,303	—2,679	—2,768	—3,201
Unobligated balance.....	2,919	3,725	3,659	3,982

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	931	1,056	1,056
33 Investments.....	12,781	13,850	19,735
43 Interest and dividends.....	1,308	1,392	1,455
Total obligations.....	15,020	16,298	22,246

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration of direct and insured loan programs (total costs—obligations).....	111	127	127
Financing:			
Advances and reimbursements from—			
Other accounts.....	106	119	119
Non-Federal sources (40 U.S.C. 481(c)).....	5	8	8
Total financing.....	111	127	127

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	88	102	102
Other personnel compensation.....	2		
Total personnel compensation.....	90	102	102
12 Personnel benefits.....	7	8	8
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	1	3	3
23 Rent, communications, and utilities.....	9	8	8
31 Equipment.....	3	5	5
Total obligations.....	111	127	127

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	15	15	15
Average number of all employees.....	18	18	18
Number of employees at end of year.....	14	14	14
Average GS grade.....	4.8	4.8	4.8
Average GS salary.....	\$4,859	\$5,292	\$5,357

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, **[\$3,358,000]** \$3,650,000. (5 U.S.C. 511-512, 518; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Note.—Includes \$75 thousand for activities previously carried under "Watershed protection," Soil Conservation Service. The amount obligated in 1961 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Credit, conservation, research, and staff legal services.....	1,789	2,010	2,035
2. Commodity credit and production adjustment programs.....	788	860	860
3. Marketing and regulatory laws.....	576	755	755
Total program costs ¹	3,153	3,625	3,650
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2		
Total obligations.....	3,155	3,625	3,650

¹ Includes capital outlay as follows: 1960, \$23 thousand; 1961, \$20 thousand; 1962, \$21 thousand.

OFFICE OF THE GENERAL COUNSEL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers from (—) other accounts.....		-75	
Unobligated balance lapsing.....	7		
New obligational authority.....	3,162	3,550	3,650
New obligational authority:			
Appropriation.....	3,162	3,358	3,650
Proposed supplemental due to pay increases.....		192	

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.

The increase in 1962 is to meet the increased legal workload connected with the loans made under section 8 of the Watershed Protection and Flood Prevention Act.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$7 thousand; 1959 (adjusted), \$3 thousand; 1960, \$5 thousand; 1961, \$5 thousand; 1962, \$5 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,694	3,097	3,131
Positions other than permanent.....	12	13	13
Other personnel compensation.....	26	15	3
Total personnel compensation.....	2,732	3,125	3,147
12 Personnel benefits.....	187	236	238
21 Travel and transportation of persons.....	84	101	102
22 Transportation of things.....	3	6	6
23 Rent, communications, and utilities.....	47	47	48
24 Printing and reproduction.....	18	22	22
25 Other services.....	16	14	14
Services of other agencies.....	6	7	7
26 Supplies and materials.....	29	27	27
31 Equipment.....	33	40	39
Total obligations.....	3,155	3,625	3,650

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	387	408	412
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	380	403	406
Number of employees at end of year.....	402	407	411
Average GS grade.....	8.4	8.4	8.4
Average GS salary.....	\$7,066	\$7,692	\$7,783

ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments from other accounts are included in the schedule of the parent appropriations as follows:
 "Conservation reserve," Commodity Stabilization Service.
 "Disaster loans, etc., revolving fund," Farmers Home Administration.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other accounts (total costs—obligations) (object class 31).....	1	1	1
Financing:			
Advances and reimbursements from non-Federal sources (5 U.S.C. 61(b) and 40 U.S.C. 481(c)).....	1	1	1

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, ["\$2,899,500"] \$3,107,000: *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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General administration.....	616	651	651
2. Personnel administration and service.....	700	755	755
3. Budgetary and financial administration and service.....	661	728	755
4. General operations.....	597	653	653
5. Administrative management.....	89	103	103
6. Regulatory hearings and decisions.....	157	178	178
7. National Agricultural Advisory Commission.....	11	12	12
Total program costs ¹	2,831	3,080	3,107
8. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	10		
Total obligations.....	2,841	3,080	3,107
Financing:			
Unobligated balance lapsing.....	40		
New obligational authority.....	2,881	3,080	3,107
New obligational authority:			
Appropriation.....	2,881	2,900	3,107
Proposed supplemental due to pay increases.....		180	

¹ Includes capital outlay as follows: 1960, \$22 thousand; 1961, \$8 thousand; 1962, \$8 thousand.

The Office provides overall planning, coordination, and administration of the Department's programs, and supplies certain services on a departmentwide basis.

During 1960, the Office of the Secretary acquired at no cost property declared excess by other agencies of the Department of Agriculture with an original acquisition cost to the Government of \$5.4 thousand. Such property was used primarily for upgrading of older equipment.

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.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$6 thousand; 1959 (adjusted), \$0; 1960, \$10 thousand; 1961, \$10 thousand; 1962, \$10 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,332	2,577	2,613
Positions other than permanent.....	11	10	9
Other personnel compensation.....	31	21	11
Total personnel compensation.....	2,374	2,608	2,633
12 Personnel benefits.....	160	189	191
21 Travel and transportation of persons.....	99	120	121
23 Rent, communications, and utilities.....	43	40	40
24 Printing and reproduction.....	74	75	75
25 Other services.....	11	6	6
Services of other agencies.....	33	16	16

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	23	18	18
31 Equipment.....	23	8	8
42 Insurance claims and indemnities.....	1		
Total obligations.....	2,841	3,080	3,107

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	326	329	332
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	310	319	322
Number of employees at end of year.....	315	321	324
Average GS grade.....	8.8	8.8	8.8
Average GS salary.....	\$7,341	\$7,962	\$7,986

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 thousand appropriated (5 U.S.C. 542-1) and \$523 thousand donated assets, as of June 30, 1960. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Supply and other central services program:			
Acquisition of equipment.....	10	3	3
Expense:			
Purchase of materials.....	346	349	349
Other expense.....	384	392	392
Reproduction services program:			
Acquisition of equipment.....	16	10	10
Expense:			
Purchase of materials.....	364	365	365
Other expense.....	703	708	708
Motion picture, photographic, and other visual information services program:			
Acquisition of equipment.....	15	40	30
Expense:			
Purchase of materials.....	215	200	210
Other expense.....	926	1,022	1,022
Increase in selected working capital.....		37	37
Total gross expenditures.....	2,980	3,126	3,126
Receipts from operations (funds provided):			
Supply and other central services program:			
Revenue.....	742	759	759
Reproduction services program:			
Revenue.....	1,068	1,082	1,082
Proceeds from sale of equipment.....	3		
Motion picture, photographic, and other visual information services program revenue.....	1,175	1,270	1,270
Selected working capital assumed.....	10		
Decrease in selected working capital.....	82		
Total receipts from operations.....	3,080	3,111	3,111
Budget expenditures.....	-99	15	15

OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND, DEPARTMENT OF AGRICULTURE—Con.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Supply and other central services program:			
Revenue.....	742	759	759
Expense.....	742	758	758
Net operating income, supply and other central services program.....		1	1
Reproduction services program:			
Revenue.....	1,068	1,082	1,082
Expense.....	1,086	1,082	1,082
Net operating loss (—), reproduction services program.....	—18		
Motion picture, photographic, and other visual information services program:			
Revenue.....	1,175	1,270	1,270
Expense.....	1,150	1,270	1,270
Net operating income, motion picture, photographic, and other visual information services program.....	25		
Nonoperating income: Proceeds from sale of equipment (at book value) (total).....	3		
Net income for the year.....	10	1	1
Retained earnings, beginning of year.....	69	79	80
Retained earnings, end of year.....	79	80	81

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	378	363	348
Accounts receivable, net.....	410	413	417
Advances.....	3	3	3
Inventories, deferred charges, etc.....	295	275	265
Equipment, net.....	373	372	361
Total assets.....	1,458	1,426	1,394
Liabilities:			
Current.....	456	422	389
Government investment:			
Non-interest-bearing capital: Start and end of year.....	923	923	923
Retained earnings.....	79	80	81
Total Government investment.....	1,002	1,003	1,004

Note.—Unpaid undelivered orders are as follows: 1959, \$105 thousand; 1960, \$132 thousand; 1961, \$122 thousand; 1962, \$122 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
OFFICE OF THE SECRETARY			
11 Personnel compensation:			
Permanent positions.....	715	763	766
Other personnel compensation.....	54	29	26
Add excess of annual leave earned over leave taken.....	3		
Total personnel compensation.....	772	792	792
12 Personnel benefits.....	49	63	63
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	1	1	1

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
OFFICE OF THE SECRETARY—Con.			
23 Rent, communications, and utilities.....	135	133	133
24 Printing and reproduction.....	37	35	35
25 Other services.....	12	10	10
26 Supplies and materials.....	710	710	710
31 Equipment.....	41	12	12
Total, Office of the Secretary.....	1,758	1,757	1,757
ALLOTMENT ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	683	739	739
Positions other than permanent.....	3	3	3
Other personnel compensation.....	19	20	20
Add excess of annual leave earned over leave taken.....	2		
Total personnel compensation.....	707	762	762
12 Personnel benefits.....	46	52	52
21 Travel and transportation of persons.....	23	23	23
22 Transportation of things.....	4	4	4
23 Rent, communications, and utilities.....	6	6	6
24 Printing and reproduction.....	16	16	16
25 Other services.....	145	145	145
Services of other agencies.....	15	15	15
26 Supplies and materials.....	282	258	278
31 Equipment.....	10	41	31
Total allotment accounts.....	1,254	1,322	1,332
Total obligations.....	3,012	3,079	3,089
Obligations are distributed as follows:			
Office of the Secretary.....	1,758	1,757	1,757
Office of Information.....	1,220	1,282	1,292
Library.....	34	40	40

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
OFFICE OF THE SECRETARY			
Total number of permanent positions.....	160	160	160
Average number of all employees.....	152	155	155
Number of employees at end of year.....	156	158	158
Average GS grade.....	4.4	4.4	4.4
Average GS salary.....	\$4,663	\$5,041	\$5,064
Average salary of ungraded positions.....	\$4,596	\$4,935	\$4,959
ALLOTMENT ACCOUNTS			
Total number of permanent positions.....	117	115	115
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	111	111	111
Number of employees at end of year.....	113	114	114
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$6,079	\$6,668	\$6,753

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other accounts:			
Department of Agriculture.....	24	31	31
Other agencies.....	24	5	5
Total program costs—obligations.....	48	36	36

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from other accounts.....	48	36	36
Total financing.....	48	36	36

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	26	16	16
12 Personnel benefits.....	2	1	1
21 Travel and transportation of persons.....	18	18	18
24 Printing and reproduction.....	1	1	1
31 Equipment.....	1		
Total obligations.....	48	36	36

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3	2	2
Average number of all employees.....	3	1	1
Number of employees at end of year.....	0	0	0
Average GS grade.....	12.0	11.4	11.4
Average GS salary.....	\$10,051	\$10,525	\$10,525

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, **[\$1,488,000] \$1,610,000**, 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 **[one hundred seventy-four thousand and seven hundred and thirty-six] two hundred and thirty-three thousand 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) **[** and for reprinting the 1959 yearbook "Food" for the use of the Senate and House of Representatives, respectively, of eighty-seven thousand and three hundred and sixty-eight copies (for which not to exceed \$67,300 shall be available) **]**: *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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Publications review and distribution.....	653	721	721
2. Review and distribution of current agricultural information.....	526	558	594

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Review, preparation, and distribution of visual agricultural information.....	236	269	295
Total program costs ¹	1,414	1,548	1,610
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	13		
Total obligations.....	1,428	1,548	1,610
Financing:			
Unobligated balance lapsing.....	4		
New obligational authority.....	1,432	1,548	1,610
New obligational authority:			
Appropriation.....	1,432	1,488	1,610
Proposed supplemental due to pay increases.....		60	

¹ Includes capital outlay as follows: 1960, \$9 thousand; 1961, \$9 thousand; 1962, \$9 thousand.

The Office has responsibility for the information work of the entire Department. Its major objective is to report to farmers, agricultural and closely related 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.

During 1960, the Office of Information acquired at no cost property declared excess by other Federal agencies and by other agencies of the Department of Agriculture with an original acquisition cost to the Government of \$4.9 thousand. Such property was used primarily for upgrading of older equipment.

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.

3. *Review, preparation, and distribution of visual agricultural information.*—Motion pictures for the Department and private industries which serve agriculture, produced on a reimbursable basis under the Department's Working

OFFICE OF INFORMATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

capital fund, are 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order: Publications consigned to Government Printing Office.....	178	159	180	180
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	279	298	277	277
Total selected resources at end of year.....	457	457	457	457
Selected resources at start of year (—).....	—	—457	—457	—457
Adjustment of selected resources reported at start of year.....	—	13	—	—
Obligations incurred for costs of other years, net....	—	13	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	687	783	823
Positions other than permanent.....	12	12	12
Other personnel compensation.....	13	7	7
Total personnel compensation.....	712	802	842
12 Personnel benefits.....	48	58	61
21 Travel and transportation of persons.....	10	12	15
22 Transportation of things.....	3	3	3
23 Rent, communications, and utilities.....	80	80	80
24 Printing and reproduction.....	526	539	547
25 Other services.....	6	6	8
Services of other agencies.....	17	20	25
26 Supplies and materials.....	14	16	17
31 Equipment.....	12	12	12
Total obligations.....	1,428	1,548	1,610

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	127	133	140
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	114	119	125
Number of employees at end of year.....	126	126	133
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,187	\$6,733	\$6,807

ALLOTMENTS AND ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allotments and allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "Conservation reserve program," Commodity Stabilization Service.
 "Great Plains conservation program," Soil Conservation Service.
 "Mutual security—economic," funds appropriated to the President.
 "Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Review, preparation, and distribution of visual agricultural information.....	70	70	70
2. Centennial observance of agriculture.....	10	70	80
3. International agricultural fairs.....	22	75	75
4. Miscellaneous services to other accounts....	3	5	5
Total program costs.....	104	220	230
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2	—	—
Total obligations.....	106	220	230
Financing:			
Advances and reimbursements from—			
Other accounts.....	98	210	220
Non-Federal sources.....	8	10	10
Total financing.....	106	220	230

Note.—Reimbursements from non-Federal sources are derived from the sale of reproductions (7 U.S.C. 1387) and proceeds from the sale of personal property being replaced (40 U.S.C. 481(c)).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$2 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	59	63	63
Other personnel compensation.....	2	4	4
Total personnel compensation.....	61	67	67
12 Personnel benefits.....	4	6	6
21 Travel and transportation of persons.....	—	5	5
22 Transportation of things.....	—	1	1
23 Rent, communications, and utilities.....	—	1	1
24 Printing and reproduction.....	15	18	18
25 Other services.....	8	10	15
Services of other agencies.....	8	91	96
26 Supplies and materials.....	9	20	20
31 Equipment.....	1	1	1
Total obligations.....	106	220	230

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	7	7	7
Average number of all employees.....	7	7	7
Number of employees at end of year.....	7	7	7
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,187	\$6,733	\$6,807

CENTENNIAL OBSERVANCE OF AGRICULTURE

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for planning, promoting, coordinating, and assisting participation by industry, trade association, commodity groups, and similar interests in the celebration of the centennial of the establishment of the Department of Agriculture; expenses of an honorary committee established in connection with such celebration; rental and restoration of property in the District of Columbia; and employment

pursuant to 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), \$130,000, to remain available until December 31, 1962.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Coordination with trade, industry, and commodity groups.....			53
2. Centennial exposition site.....			35
Total program costs.....			88
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			15
Total obligations.....			103
Financing:			
Unobligated balance carried forward.....			27
New obligational authority (appropriation)			130

This nonrecurring appropriation would provide for planning and carrying out activities related to the centennial observance of the establishment of the Department of Agriculture and the founding of the land-grant colleges in 1862.

1. *Coordination with trade, industry, and commodity groups.*—A program for the participation by agricultural trade, industry, and commodity groups in the centennial observance would be developed and coordinated with centennial activities to be carried out directly by the Department, the land-grant institutions, and other governmental agencies. The trade, industry, and commodity groups would finance the costs of the activities in which they participate.

2. *Centennial exposition site.*—Rental, preparation, and restoration of a suitable site in Washington, D.C., for a centennial exposition would be provided. The direct costs of constructing and operating exhibits at the exposition site would be financed by the individual exhibitors.

3. *Relation of costs to obligations.*—The year-end balance of unpaid undelivered orders is as follows: 1962, \$15 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....			26
12 Personnel benefits.....			1
21 Travel and transportation of persons.....			8
23 Rent, communications, and utilities.....			32
24 Printing and reproduction.....			16
25 Other services.....			18
26 Supplies and materials.....			1
31 Equipment.....			1
Total obligations.....			103

Personnel Summary

Total number of permanent positions.....			3
Average number of all employees.....			3
Number of employees at end of year.....			3
Average GS grade.....			7.0
Average GS salary.....			\$5,366
Average salary of ungraded positions.....			\$11,440

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, **[\$895,000]** \$1,057,000. (5 U.S.C. 83, 511-512, 514, 516, 552a; Department of Agriculture and Farm Credit Administration Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Agricultural library services (total costs—obligations ¹).....	829	951	1,057
Financing:			
Comparative transfers to other accounts.....	68		
Unobligated balance lapsing.....	3		
New obligational authority	900	951	1,057
New obligational authority:			
Appropriation.....	900	895	1,057
Proposed supplemental due to pay increases.....		56	

¹ Includes capital outlay as follows: 1960, \$11 thousand; 1961, \$6 thousand; 1962, \$7 thousand.

The Library, a basic unit serving the research, extension, regulatory, and other programs of the Department and the State agricultural agencies, acquires and makes available books, periodicals, and other publications containing information on agricultural and allied fields. It contains approximately 1,181,000 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 1960, a total of 16,136 volumes and 239,610 separate issues of periodicals were added to the collection by purchase, gift, and exchange. During the same period 344,097 loans of books and periodicals were made and 86,508 reference questions were answered by the Department library. The increase proposed for 1962 would be used to strengthen and improve specialized library services to agricultural research programs.

During 1960, the Library acquired, at no cost, property declared excess by other agencies of the Department of Agriculture with an estimated depreciated value of \$7.3 thousand. Such property was used primarily for the upgrading of older equipment, and to meet current equipment needs.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	646	765	855
Positions other than permanent.....	8	5	5
Other personnel compensation.....	6	4	
Total personnel compensation.....	660	774	860
12 Personnel benefits.....	45	59	66
21 Travel and transportation of persons.....	3	4	4

LIBRARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	10	10	10
24 Printing and reproduction.....	15	15	17
Binding.....	28	28	30
25 Other services.....	4	1	1
Services of other agencies.....	4	4	4
26 Supplies and materials.....	9	9	9
31 Equipment.....	51	47	56
Total obligations.....	829	951	1,057

Personnel Summary

Total number of permanent positions.....	153	153	165
Full-time equivalent of other positions.....	2	1	1
Average number of all employees.....	123	130	143
Number of employees at end of year.....	140	140	157
Average GS grade.....	6.0	6.2	6.4
Average GS salary.....	\$5,112	\$5,677	\$5,800

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations and allotments from other accounts are included in the schedules of the parent appropriations, as follows:
 "Mutual security—economic," funds appropriated to the President.
 "Working capital fund, Department of Agriculture."

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Agricultural library services (includes Departments of Agriculture, Health, Education, and Welfare, Farm Credit Administration, and National Science Foundation) (total program costs).....	77	111	20
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....			—4
Obligations incurred for costs of other years, net.....	3		
Total obligations.....	80	111	16
Financing:			
Advances and reimbursements from other accounts.....	80	111	16

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3 thousand; 1959 (adjusted), \$2 thousand; 1960, \$5 thousand; 1961, \$5 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	62	70	15
Positions other than permanent.....	3	21	
Total personnel compensation.....	65	91	15
12 Personnel benefits.....	4	6	1
24 Printing and reproduction.....	2	3	
25 Other services.....		1	
26 Supplies and materials.....	1	1	
31 Equipment.....	8	9	
Total obligations.....	80	111	16

Personnel Summary

Total number of permanent positions.....	14	13	3
Full-time equivalent of other positions.....	1	3	
Average number of all employees.....	14	17	3
Number of employees at end of year.....	12	16	3
Average GS grade.....	4.6	4.9	5.0
Average GS salary.....	\$4,551	\$5,128	\$4,985

FOREST SERVICE

The Service carries on three primary functions: (a) Protection, development, and use of about 185 million acres of land in national forests and national grasslands in the United States and Puerto Rico; (b) 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 improve methods for developing and managing recreation resources; to develop better utilization and marketing of forest products; and to maintain a current inventory of forest resources through a nationwide forest survey; and (c) 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. These primary functions include construction and maintenance of roads and trails, control of forest pests, protection against floods, land acquisition and 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; **[\$92,159,700] \$105,517,000**, of which \$5,000,000 for fighting and preventing forest fires and \$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; **[\$17,332,000]** \$20,278,000.

State and private forestry cooperation: For cooperation with States in forest-fire prevention and suppression, in forest tree planting on non-Federal public and private lands, and in forest management and processing, and for advising timberland owners, associations, wood-using industries, and others in the application of forest management principles and processing of forest products, as authorized by law; **[\$12,334,800]** \$14,009,000.

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.

For an additional amount for "Forest protection and utilization", as follows: "Forest land management", \$750,000, and "Forest research", \$500,000. (5 U.S.C. 511-512, 524, 555a; 7 U.S.C. 428a, 1010-1012, 1621-1627; 16 U.S.C. 471-533i, 594-1-594-5, 594a; 30 U.S.C. 601-604, 611-615; 31 U.S.C. 534; 43 U.S.C. 1131h-1181j; 36 Stat. 557; 74 Stat. 205-206, 215; Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Forest land management:			
(a) National forest protection and management.....	71,101	84,533	92,290
(b) Fighting forest fires.....	24,644	4,201	5,000
(c) Insect and disease control.....	6,915	7,252	7,402
(d) Acquisition of lands.....	95	100	100
Total, forest land management.....	102,755	96,086	104,792
2. Forest research:			
(a) Forest and range management.....	7,477	8,737	8,947
(b) Forest protection.....	2,511	3,174	3,751
(c) Forest products utilization.....	3,091	3,527	4,097
(d) Forest resources.....	1,903	2,265	2,408
(e) Forest research construction.....	1,693	450	1,000
Total, forest research.....	16,675	18,153	20,203
3. State and private forestry cooperation:			
(a) Forest fire control.....	10,035	10,121	11,121
(b) Forest tree planting.....	509	296	296
(c) Forest management and processing.....	1,611	1,554	2,054
(d) General forestry assistance.....	386	438	538
Total, State and private forestry cooperation.....	12,541	12,409	14,009
Total costs for year's program.....	131,971	126,648	139,004
4. Repayment to "Expenses, brush disposal" of prior year advance for fighting forest fires.....			
	1,623	799	
Total program costs ¹	133,594	127,447	139,004
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-3,101		
Obligations incurred for costs of other years, net.....		1,429	1,500
Total obligations.....	130,493	128,876	140,504
Financing:			
Comparative transfers from (-) other accounts.....	-19		
Advances and reimbursements from—"Cooperative range improvements".....	-700	-700	-700
"Expenses, brush disposal".....	-799		

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance lapsing.....	144		
New obligational authority.....	129,120	128,176	139,804
New obligational authority:			
Appropriation.....	129,120	123,076	139,804
Proposed supplemental due to pay increases.....		5,100	

¹ Includes capital outlay as follows: 1960, \$14,595 thousand; 1961, \$17,700 thousand; 1962, \$22,400 thousand.

During 1960, the Service acquired at no cost property declared excess by other Federal departments and agencies with an original acquisition cost to the Government of \$3.2 million.

1. *Forest land management*—(a) *National forest protection and management*.—The 152 national forests and 14 units of national grasslands are managed under multiple use and sustained yield principles. The natural resources of outdoor recreation, range, timber, watershed, and wildlife are utilized in a planned combination that will best meet the needs of the Nation without impairing productivity of the land. These management and utilization principles were recognized in the Multiple Use-Sustained Yield Act of June 12, 1960 (Public Law 86-517, 74 Stat. 215). Work programs and budget estimates are related to the Program for the National Forests, a plan to meet the increasing demands for national forest resources during the next 10 to 15 years and beyond. Increases are provided in the budget to further attainment of these program objectives. Construction funds of \$10.6 million in 1961 and \$14.9 million in 1962 are budgeted, compared with \$6.7 million used in 1960, for construction or rehabilitation of campground and picnic facilities and other recreation improvements, the construction of dwellings or barracks for employee housing, fire lookouts, service and storage buildings, communication facilities, and other improvements. Funds appropriated under Cooperative range improvements are merged with this appropriation for obligational purposes.

MAIN WORKLOAD FACTORS

Description	1960 actual	1961 estimate	1962 estimate
Area administered and protected:			
(a) National forest land (acres).....	181,462,324	182,060,000	182,400,000
(b) National grasslands (acres).....	3,821,527	3,821,527	3,821,527
(c) Land utilization projects (acres).....	488,198	418,116	
Timber managed and protected (saw-timber—billion board feet).....			
	880	880	880
Timber sales (number).....	43,081	44,000	48,000
Timber harvested (billion board feet).....	9.37	8.5	10.1
Grazing use permits (calendar year).....	31,242	31,200	31,200
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).....			
	36,724	37,000	37,100
Recreation special use permits (number).....			
	21,709	22,300	23,000
Estimated number of visitors to national forests (calendar year).....			
	81,521,000	90,000,000	95,000,000
Tree planting and seeding (acres).....	45,094	60,000	70,000
Range reseeding and removal of competing vegetation (acres).....	161,767	175,000	195,000
Receipts (thousands of dollars):			
Timber sales.....	139,904	110,500	147,000
Grazing.....	3,664	3,700	3,700
Land uses.....	2,780	3,000	3,200
National grasslands.....	1,864	1,700	1,700
Total receipts.....	148,213	118,900	155,600

FOREST SERVICE—Continued

Current authorizations—Continued

FOREST PROTECTION AND UTILIZATION—Continued

(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. Costs above the amounts estimated for the current and budget year are authorized to be met from advances from other Forest Service appropriations (repayments of such advances were made in 1960 and 1961 to Expenses, brush disposal). In addition, a supplemental appropriation for fighting forest fires is anticipated for 1961 under Proposed for later transmission.

	1960 actual	1961 estimate	1962 estimate
Forest fires controlled (number).....	9,497	12,500	10,000
Area burned (acres).....	272,561	440,000	200,000

(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 white pine blister rust.

(d) *Acquisition of lands.*—Lands are purchased 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 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 management of timber, forage, and watershed lands. Studies are conducted to maintain a sustained yield of products at the lowest possible costs; increase forage for domestic livestock and improve habitat for wildlife without damage to soil, watershed, or other values; assure maximum regular flow of usable water, and reduce floods and sedimentation; and improve methods for developing and managing recreation resources.

(b) *Forest protection.*—Research is conducted to develop sound measures for the protection of forests from damage by fire, insects, and diseases. Forest fire research provides improved methods of predicting fire danger, preparing for, and combating fire by combinations of ground and aerial methods. Insect and disease research develops direct controls, silvicultural measures, and biological agents to combat forest pests.

(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 less-desirable 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, and the potential need for timber products. Studies of the eco-

nomics of forest crop production and of marketing of forest products are also included.

MAIN WORKLOAD FACTORS

	[Acres in millions]		
	1960 actual	1961 estimate	1962 estimate
Initial surveys (annual).....	28	30	30
Initial surveys (cumulative since 1930).....	577	607	637
To be surveyed (total) ¹	193	163	133
Resurveys (annual).....	43	30	30

¹ Includes all of Alaska and Hawaii.

(e) *Forest research construction.*—The budget estimate provides for construction of a laboratory at Riverside, Calif., for research on forest fire control problems of the Pacific Southwest.

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.

(a) *Forest fire control.*—Assistance is furnished 48 States 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 92% of the 435 million acres of non-Federal ownership is now partially covered. During 1959 the acreage burned on protected areas was 0.42% as against an estimated 4.63% on unprotected lands. Of the total expenditures under this program, 79% is contributed by States and counties, 4% by private owners, and 17% 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 47 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, 452 projects in 2,091 counties are operated to aid small woodland owners in applying good management to their timber holdings. In 1960 these projects covered some 82,188 owners and 4.1 million acres.

(d) *General forestry assistance.*—Technical forest management assistance is provided to State, community, private, and other Federal agencies, forest industries, colleges, and landowners.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order: Stores (goods unconsumed by projects).....	2,219	2,344	2,500	2,500
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	7,802	4,494	5,750	7,250
Advances (payment for goods and services on order not yet received).....	123	103	120	120
Total selected resources at end of year.....	10,144	6,941	8,370	9,870
Selected resources at start of year (—).....		-10,144	-6,941	-8,370
Adjustment of selected resources reported at start of year.....		102		
Costs financed from obligations of other years, net (—).....		-3,101		
Obligations incurred for costs of other years, net....			1,429	1,500

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
FOREST SERVICE			
11 Personnel compensation:			
Permanent positions.....	52,555	61,262	63,590
Positions other than permanent.....	12,265	13,896	16,592
Other personnel compensation.....	10,034	2,305	2,805
Total personnel compensation.....	74,854	77,463	82,987
12 Personnel benefits.....	4,230	5,472	5,747
21 Travel and transportation of persons.....	4,188	4,439	4,842
22 Transportation of things.....	5,177	4,858	5,221
23 Rent, communications, and utilities.....	2,833	2,505	2,821
24 Printing and reproduction.....	848	1,037	1,060
25 Other services.....	8,069	4,945	5,536
Services of other agencies.....	3,186	2,799	3,119
26 Supplies and materials.....	9,914	7,489	8,707
31 Equipment.....	2,821	2,711	3,466
32 Lands and structures.....	2,041	3,634	4,857
41 Grants, subsidies, and contributions.....	11,251	11,306	12,755
42 Insurance claims and indemnities.....	83	64	64
44 Refunds.....	1,623	799	-----
Subtotal.....	131,119	129,521	141,982
Deduct quarters and subsistence charges.....	1,206	1,180	1,238
Total, Forest Service.....	129,913	128,341	139,944
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
11 Personnel compensation:			
Permanent positions.....	84	84	85
Positions other than permanent.....	238	222	233
Other personnel compensation.....	28	27	27
Total personnel compensation.....	349	333	345
12 Personnel benefits.....	12	13	13
21 Travel and transportation of persons.....	8	12	12
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	8	9	9
25 Other services.....	106	88	94
26 Supplies and materials.....	73	61	69
31 Equipment.....	23	18	17
Total, Department of the Interior.....	580	535	560
Total obligations.....	130,493	128,876	140,504

Personnel Summary			
FOREST SERVICE			
Total number of permanent positions.....	10,141	10,990	11,424
Full-time equivalent of other positions.....	4,873	4,012	4,728
Average number of all employees.....	13,910	13,683	14,789
Number of employees at end of year.....	20,048	21,336	22,636
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069
Average salary of ungraded positions.....	\$4,724	\$4,808	\$4,799
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Total number of permanent positions.....	14	12	12
Full-time equivalent of other positions.....	61	54	57
Average number of all employees.....	78	71	74
Number of employees at end of year.....	212	190	198
Average GS grade.....	7.0	6.8	6.8
Average GS salary.....	\$5,442	\$5,661	\$5,781
Average salary of ungraded positions.....	\$4,618	\$4,618	\$4,618

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For expenses necessary for carrying out the provisions of title 23, United States Code, sections 203 and 205, relating to the construction and maintenance of forest development roads and trails,

[\$30,000,000] \$35,000,000, to remain available until expended, for liquidation of obligations incurred pursuant to authority contained in 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; 23 U.S.C. 125; 74 Stat. 522; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction of roads and trails.....	29,393	33,063	36,870
2. Maintenance of roads and trails.....	11,075	11,000	11,000
Total program costs¹.....	40,468	44,063	47,870
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1,508	500	1,000
Total obligations.....	41,976	44,563	48,870
Financing:			
Unobligated balance brought forward (contract authorization).....	-30,499	-30,393	-35,000
Unobligated balance carried forward (contract authorization).....	30,393	35,000	37,500
New obligational authority.....	41,870	49,170	51,370
New obligational authority:			
Permanent contract authorization (new) (74 Stat. 522; 23 U.S.C. 203).....	30,000	35,000	40,000
Permanent indefinite appropriation (16 U.S.C. 501).....	11,870	14,170	11,370

Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance brought forward.....	38,664	40,664	45,664
Permanent contract authorization (new).....	30,000	35,000	40,000
Unfunded balance carried forward.....	-40,664	-45,664	-50,664
Appropriation to liquidate contract authorization.....	28,000	30,000	35,000

¹ Includes capital outlay as follows: 1960, \$25,537 thousand; 1961, \$28,500 thousand; 1962, \$30,300 thousand.

Roads and trails are essential to protection and management of national forests and utilization of their resources. The system consists of approximately 156,000 miles of earth- or gravel-surfaced roads and 108,500 miles of supplemental trails.

The Federal Highway Act of 1960, approved July 14, 1960, Public Law 86-657, provides authorizations of \$35 million for 1962 and \$40 million for 1963. These authorizations are available for obligation a year in advance of the year for which authorized. The program level for roads and trails proposed in this budget for the second year of the program for the national forests is \$37.5 million. The 1962 program will involve the construction and reconstruction of about 335 miles of general purpose roads and about 465 miles of timber access roads to harvest national forest timber, a total of approximately 800 miles. This compares with 851 miles built in 1960 and 646 miles being built in 1961.

Of the amounts received annually from national forest activities 10% is available under the permanent appropriation Roads and trails for States, for construction and maintenance within the State from which such proceeds

FOREST SERVICE—Continued

Current authorizations—Continued

FOREST ROADS AND TRAILS (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

are derived. Such amounts are merged with this appropriation for obligational purposes.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	6,815	8,355	8,843	9,843
Advances (payment for goods and services on order not yet received).....	40	8	20	20
Total selected resources at end of year.....	6,855	8,363	8,863	9,863
Selected resources at start of year.....		-6,855	-8,363	-8,863
Obligations incurred for costs of other years, net.....		1,508	500	1,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
FOREST SERVICE			
11 Personnel compensation:			
Permanent positions.....	12,176	14,495	14,495
Positions other than permanent.....	5,133	6,206	6,206
Other personnel compensation.....	382	407	407
Total personnel compensation.....	17,691	21,108	21,108
12 Personnel benefits.....	1,016	1,367	1,367
21 Travel and transportation of persons.....	1,194	1,196	1,196
22 Transportation of things.....	2,298	2,332	2,332
23 Rent, communications, and utilities.....	588	613	613
24 Printing and reproduction.....	121	133	133
25 Other services.....	3,941	4,130	4,430
Services of other agencies.....	1,149	1,151	1,551
26 Supplies and materials.....	3,873	3,535	3,985
31 Equipment.....	1,016	894	894
32 Lands and structures.....	6,723	6,803	10,011
42 Insurance claims and indemnities.....	25	6	6
44 Refunds.....		4	4
Subtotal.....	39,635	43,272	47,630
Deduct quarters and subsistence charges.....	217	241	260
Total, Forest Service.....	39,418	43,031	47,370
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....	282	299	303
Positions other than permanent.....	95	96	96
Other personnel compensation.....	8	7	6
Total personnel compensation.....	386	402	405
12 Personnel benefits.....	24	24	24
21 Travel and transportation of persons.....	97	97	97
23 Rent, communications, and utilities.....	66	66	66
24 Printing and reproduction.....	1	1	1
25 Other services.....	14	14	14
Services of other agencies.....	287	287	287
26 Supplies and materials.....	22	22	22
31 Equipment.....	2	2	2
32 Lands and structures.....	1,659	617	582
Total, Bureau of Public Roads.....	2,558	1,532	1,500
Total obligations.....	41,976	44,563	48,870

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
FOREST SERVICE			
Total number of permanent positions.....	2,464	2,698	2,698
Full-time equivalent of other positions.....	1,515	1,717	1,717
Average number of all employees.....	3,801	4,290	4,290
Number of employees at end of year.....	4,994	5,614	5,614
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069
Average salary of ungraded positions.....	\$4,724	\$4,808	\$4,799
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....	100	100	100
Full-time equivalent of other positions.....	26	26	26
Average number of all employees.....	77	77	77
Number of employees at end of year.....	44	45	45
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

ACCESS ROADS

For acquiring by condemnation or otherwise additional roads needed for access to national-forest lands in carrying out the Act of June 4, 1897, as amended (16 U.S.C. 471, 472, 475, 476, 551), \$1,000,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Access roads (total costs—obligations) (object class 32).....		2,000	1,000
Financing:			
Unobligated balance brought forward.....		-1,000	
Unobligated balance carried forward.....	1,000		
New obligational authority (appropriation).....	1,000	1,000	1,000

Full or partial interest in existing roads or rights-of-way is purchased (or obtained by condemnation if purchase negotiations fail) to provide access to national-forest areas where road access is a serious problem.

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SUPERIOR NATIONAL FOREST

For the acquisition of forest land within the Superior National Forest, Minnesota, under the provisions of the Act of June 22, 1948 (62 Stat. 570; 16 U.S.C. 577c-h), as amended, by purchase, condemnation or otherwise, [\$750,000] \$250,000, to remain available until expended and to be available without regard to the restriction in the proviso in section 1 of that Act: *Provided*, That no part of this appropriation shall be used for the acquisition of any land without the approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition of lands for Superior National Forest (total program costs).....	127	751	250
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-113		
Total obligations.....	14	751	250

¹ Includes capital outlay as follows: 1960, \$127 thousand; 1961, \$729 thousand; 1962, \$228 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-15	-1	-----
Unobligated balance carried forward.....	1	-----	-----
New obligational authority (appropriation)	-----	750	250

As of June 30, 1960, approximately 38 thousand acres of land have been acquired to preserve the wilderness conditions of part of the Superior National Forest in Minnesota. The appropriation proposed under existing legislation will complete the current authorization of \$2.5 million. Legislation is being proposed to increase the total authorization to \$4.5 million, primarily for acquiring the improved tracts within this wilderness area. If the proposed legislation is approved, a supplemental appropriation for 1962 will be required to complete the program contemplated by the additional authorization.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$149 thousand; 1960, \$36 thousand; 1961, \$36 thousand; 1962, \$36 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....		12	12
12 Personnel benefits.....		1	1
21 Travel and transportation of persons.....		2	2
25 Other services.....		7	7
32 Lands and structures.....	14	729	228
Total obligations	14	751	250

Personnel Summary

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.....		7.0	7.0
Average GS salary.....		\$6,068	\$6,069

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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Cache National Forest, Utah (total program costs ¹).....	2	10	10

¹ Includes capital outlay as follows: 1960, \$4 thousand; 1961, \$4 thousand; 1962, \$4 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	8	-----	-----
Total obligations	10	10	10
Financing:			
New obligational authority (appropriation)	10	10	10

Based on agreements with certain counties in Utah, national forest receipts, including portions which would normally be paid to county road and school funds, are appropriated for purchase of privately owned lands within the Cache National Forest to aid in the control of soil erosion and flood damage.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$19 thousand; 1959 (adjusted), \$16 thousand; 1960, \$24 thousand; 1961, \$24 thousand; 1962, \$24 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	1	1	1
32 Lands and structures.....	9	9	9
Total obligations	10	10	10

Personnel Summary

Total number of permanent positions.....	1	1	1
Average number of all employees.....	1	1	1
Number of employees at end of year.....	0	0	0
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069

CACHE NATIONAL FOREST

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition of lands for Cache National Forest (total program costs ¹).....	16	133	-----
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-1	-11	-----
Total obligations	15	122	-----
Financing:			
Unobligated balance brought forward.....	-88	-122	-----
Unobligated balance carried forward.....	122	-----	-----
New obligational authority (appropriation)	50	-----	-----

¹ Includes capital outlay as follows: 1960, \$12 thousand; 1961, \$118 thousand.

Lands are acquired within the Cache National Forest, Utah, to enable control and minimization of soil erosion

FOREST SERVICE—Continued

Current authorizations—Continued

ACQUISITION OF LANDS FOR NATIONAL FORESTS—Continued

CACHE NATIONAL FOREST—continued

and flood damage. The 1960 appropriation completed the authorization of \$200 thousand.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$12 thousand; 1960, \$11 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	3	4	
32 Lands and structures.....	12	118	
Total obligations.....	15	122	

Personnel Summary

Total number of permanent positions.....	1	1	
Average number of all employees.....	1	1	
Number of employees at end of year.....	0	0	
Average GS grade.....	6.9	7.0	
Average GS salary.....	\$5,605	\$6,068	

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 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Advanced to "Forest protection and utilization" (total costs—obligations) (object class 25).....	700	700	700
Financing:			
New obligational authority (appropriation)....	700	700	700

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.

ASSISTANCE TO STATES FOR TREE PLANTING

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Tree planting assistance (total program costs).....	3	3	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1	—3	
Total obligations (object class 41).....	2		
Financing:			
Unobligated balance brought forward.....	—2		
New obligational authority (appropriation)			

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4 thousand; 1960, \$3 thousand.

GENERAL PROVISIONS, FOREST SERVICE

SEC. 201. Appropriations available to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [ninety-eight] *one hundred and fifty* passenger motor vehicles of which *one hundred and thirty-five* shall be for replacement only, and hire of such vehicles; operation and maintenance of aircraft and the purchase of not to exceed [four of which two shall be] *two* 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) uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); (d) purchase, erection, and alteration of buildings and other public improvements (5 U.S.C. 565a); [and] (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); and (f) *acquisition of land and interests therein for sites for administrative purposes, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a).*

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] 203. 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 approval of the local government concerned. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

ALLOCATIONS AND ALLOTMENTS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations or allotments from other accounts are included in the schedule of the parent appropriation as follows:

- “Watershed protection,” Soil Conservation Service.
- “Flood prevention,” Soil Conservation Service.
- “Agricultural conservation program,” Agricultural Conservation Program Service.
- “Great Plains conservation program,” Soil Conservation Service.
- “Conservation reserve program,” Commodity Stabilization Service.
- “Construction, general,” Corps of Engineers—Civil.
- “Mutual security—economic,” funds appropriated to the President.
- “Civil defense and defense mobilization functions of Federal agencies,” Office of Civil and Defense Mobilization.

Permanent authorizations:

EXPENSES, BRUSH DISPOSAL

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Brush disposal.....	5,646	6,700	7,000
2. Advance to "Forest protection and utilization" for fighting forest fires.....	799		
Total program costs ¹	6,445	6,700	7,000
3. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-61		
Total obligations.....	6,384	6,700	7,000
Financing:			
Unobligated balance brought forward.....	-1,828	-4,289	-5,888
Repayment of prior year advance for fighting forest fires.....	-1,623	-799	
Unobligated balance carried forward.....	4,289	5,888	6,388
New obligational authority (appropriation)	7,222	7,500	7,500

¹ Includes capital outlay as follows: 1960, \$412 thousand; 1961, \$500 thousand; 1962, \$515 thousand.

Payments made for this purpose by purchasers of national-forest timber are used to dispose of or treat slash and other debris that result from cutting operations (16 U.S.C. 490).

2. In 1959 and 1960, funds were advanced to the appropriation Forest protection and utilization for fighting forest fires and repayment made from the subsequent year appropriation (31 U.S.C. 534).

3. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$161 thousand; 1960, \$100 thousand; 1961, \$100 thousand; 1962, \$100 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,486	1,734	1,734
Positions other than permanent.....	2,155	2,551	2,739
Other personnel compensation.....	275	272	284
Total personnel compensation.....	3,916	4,557	4,757
12 Personnel benefits.....	171	231	242
21 Travel and transportation of persons.....	74	97	101
22 Transportation of things.....	306	365	381
23 Rent, communications, and utilities.....	94	123	128
24 Printing and reproduction.....	7	8	8
25 Other services.....	1,152	412	431
Services by other agencies.....	164	202	211
26 Supplies and materials.....	322	434	454
31 Equipment.....	185	231	241
32 Lands and structures.....	132	180	188
41 Grants, subsidies, and contributions.....		11	11
42 Insurance claims and indemnities.....	12	11	11
44 Refunds.....		6	6
Subtotal.....	6,534	6,868	7,170
Deduct quarters and subsistence charges.....	150	168	170
Total obligations.....	6,384	6,700	7,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	265	301	301
Full-time equivalent of other positions.....	630	706	757
Average number of all employees.....	957	1,064	1,115
Number of employees at end of year.....	1,676	1,697	1,925
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069
Average salary of ungraded positions.....	\$4,724	\$4,808	\$4,799

OTHER FOREST SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds unless otherwise indicated)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Forest fire prevention.....	12	24	20
2. Restoration of forest lands and improvements.....	6	107	100
3. Payment to Minnesota.....	121	123	123
4. Payments due counties, submarginal land program.....	453	425	425
5. Payments to school funds, Arizona and New Mexico.....	114	140	140
6. Payments to States and Territories.....	29,669	35,400	28,400
7. Construction of warehouse and related facilities, Salt Lake City, Utah.....		25	
Total program costs ¹	30,375	36,244	29,208
8. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-1		
Total obligations.....	30,374	36,244	29,208
Financing:			
Unobligated balance brought forward.....	-8	-36	
Unobligated balance carried forward.....	36		
New obligational authority.....	30,402	36,208	29,208

New obligational authority:			
"Forest fire prevention".....	14	20	20
"Restoration of forest lands and improvements".....	6	100	100
"Payment to Minnesota (Cook, Lake, and St. Louis Counties) from the national forests fund".....	121	123	123
"Payments due counties, submarginal land program, Farm Tenant Act".....	453	425	425
"Payments to school funds, Arizona and New Mexico, act of June 20, 1910" (indefinite general fund).....	114	140	140
"Payments to States and Territories from the national forests fund".....	29,669	35,400	28,400
"Construction of warehouse and related facilities, Salt Lake City, Utah".....	25		
Appropriation.....	30,402	36,208	29,208

¹ Includes capital outlay in 1961 of \$23 thousand.

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).

FOREST SERVICE—Continued

Permanent authorizations—Continued

OTHER FOREST SERVICE PERMANENT APPROPRIATIONS—Continued

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 (16 U.S.C. 556c).

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 St. 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).

8. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$2 thousand; 1960, \$1 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7	17	17
Positions other than permanent.....	3	29	29
Other personnel compensation.....	1	1	1
Total personnel compensation.....	11	47	47
12 Personnel benefits.....		4	4
21 Travel and transportation of persons.....		4	4
22 Transportation of things.....	1	12	10
23 Rent, communications, and utilities.....		1	1
24 Printing and reproduction.....		1	1
25 Other services.....	2	25	25
26 Supplies and materials.....	1	39	28
31 Equipment.....		2	
32 Lands and structures.....		21	
41 Grants, subsidies, and contributions.....	30,357	36,088	29,088
44 Refunds.....	1		
Total obligations.....	30,374	36,244	29,208

Personnel Summary

Total number of permanent positions.....	3	3	3
Full-time equivalent of other positions.....	1	7	7
Average number of all employees.....	2	11	11
Number of employees at end of year.....	3	3	3
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069

Intragovernmental funds:

WORKING CAPITAL FUND, FOREST SERVICE

This fund finances on a reimbursable basis various services such as repairing and replacing equipment, including aircraft, stocking and issuing supplies, operation of photographic and reproduction facilities, and tree nurseries in support of programs of the Forest Service (16 U.S.C. 579b). These service activities facilitate the operation of 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.

Operating results and financial condition.—Government investment in the fund as of June 30, 1960, including donated assets at its inception and retained earnings for 1960, is \$20,518 thousand. By the end of 1962 the investment is anticipated to be \$23,747 thousand, an increase of \$3,229 thousand, which represents estimated earnings and donations during 1961 and 1962. Earnings are retained to furnish adequate working capital.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Equipment rental and service:			
Acquisition of equipment.....	3,422	4,266	4,625
Expense:			
Purchase of commodities for sale.....	1,876	3,318	3,550
Other expense.....	5,737	5,599	5,505
Aircraft rental:			
Acquisition of equipment.....	75	10	50
Expense:			
Purchase of commodities for sale.....	13	50	50
Other expense.....	387	475	500
Supply service:			
Acquisition of equipment.....	30	22	20
Expense:			
Purchase of commodities for sale.....	2,536	3,030	3,200
Other expense.....	1,744	1,900	2,255
Nurseries:			
Acquisition of equipment.....	1	2	5
Expense:			
Purchase of commodities for sale.....	439	202	200
Other expense.....	125	1,047	1,240
Increase in selected working capital.....	34		
Total gross expenditures.....	16,419	19,921	21,200
Receipts from operations (funds provided):			
Equipment rental and service:			
Revenue.....	11,539	12,311	12,790
Proceeds from sale of equipment.....	625	600	700
Aircraft rental:			
Revenue.....	516	625	710
Proceeds from sale of equipment.....	33		
Supply service: Revenue.....	3,980	4,970	5,500
Nurseries: Revenue.....	167	1,294	1,500
Adjustment of prior year donations, affecting working capital.....	56		
Decrease in selected working capital.....		221	
Total receipts from operations.....	16,917	20,021	21,200
Budget expenditures.....	-498	-100	

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Equipment rental and service:			
Revenue.....	11,539	12,311	12,790
Expense.....	11,005	11,857	12,740
Net operating income, equipment rental and service.....	534	454	50
Aircraft rental:			
Revenue.....	516	625	710
Expense.....	499	625	700
Net operating income, aircraft rental.....	17		10
Supply service:			
Revenue.....	3,980	4,970	5,500
Expense.....	3,971	4,952	5,480
Net operating income, supply service.....	9	18	20
Nurseries:			
Revenue.....	167	1,294	1,500
Expense.....	163	1,287	1,480
Net operating income, nurseries.....	4	7	20
Nonoperating income:			
Proceeds from sale of equipment.....	658	600	700
Net book value of equipment sold (-).....	-281	-250	-400
Net nonoperating income.....	377	350	300
Net income for the year.....	941	829	400
Retained earnings, beginning of year.....	1,337	2,278	3,107
Retained earnings, end of year.....	2,278	3,107	3,507

Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury.....	2,443	2,543	2,543
Accounts receivable, net.....	2,436	2,436	2,514
Advances.....	2	2	
Commodities, materials, and supplies.....	2,227	2,527	2,527
Equipment, buildings, and other structures, net.....	16,113	17,764	19,163
Deferred charges.....	21		
Total assets.....	23,243	25,272	26,747
Liabilities:			
Current.....	2,725	2,925	3,000
Government investment:			
Non-interest-bearing capital:			
Start of year.....	15,797	18,240	19,240
Assets donated during the year, net.....	2,387	1,000	1,000
Adjustment of prior year donations, affecting working capital.....	56		
End of year.....	18,240	19,240	20,240
Retained earnings.....	2,278	3,107	3,507
Total Government investment.....	20,518	22,347	23,747

Note.—Unpaid undelivered orders are as follows: 1959, \$1,032 thousand; 1960, \$1,992 thousand; 1961, \$2,628 thousand; 1962, \$2,700 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,591	4,107	4,107
Positions other than permanent.....	483	738	838
Other personnel compensation.....	246	152	155
Total personnel compensation.....	4,320	4,997	5,100

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	361	432	460
21 Travel and transportation of persons.....	177	219	225
22 Transportation of things.....	393	520	530
23 Rent, communications, and utilities.....	280	299	310
24 Printing and reproduction.....	41	42	45
25 Other services.....	1,242	1,319	1,386
Services of other agencies.....	43	40	40
26 Supplies and materials.....	5,941	7,643	7,779
31 Equipment.....	4,567	5,023	5,393
42 Insurance claims and indemnities.....	1	2	2
Total obligations.....	17,366	20,536	21,270

Personnel Summary			
Total number of permanent positions.....	673	723	723
Full-time equivalent of other positions.....	124	186	211
Average number of all employees.....	803	921	946
Number of employees at end of year.....	784	813	813
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069
Average salary of ungraded positions.....	\$4,724	\$4,808	\$4,799

ADVANCES AND REIMBURSEMENTS			
Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 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.....	650	1,000	1,000
2. Construction and maintenance of roads, trails, and other improvements.....	693	2,000	2,000
3. Forest fire protection and suppression.....	1,086	1,500	1,500
4. Surveys, land appraisals, mapping, cruising timber, and preparation of timber management plans, snow scale readings, etc., on national forest and other lands.....	365	971	971
5. Insect and disease control.....	102	200	200
6. Forest research at experimental forests and ranges.....	379	450	450
7. Investigations at Forest Products Laboratory.....	611	700	700
8. Forest resources surveys and investigations.....	86	100	100
9. Cooperation in forest fire control, forest management and processing, and forest tree planting.....	251	450	450
Total program costs ¹	4,222	7,371	7,371
10. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	91		
Total obligations.....	4,313	7,371	7,371
Financing:			
Advances and reimbursement from—			
Other accounts.....	3,775	6,200	6,200
Non-Federal sources ²	538	1,171	1,171
Total financing.....	4,313	7,371	7,371

¹ Includes capital outlay as follows: 1960, \$659 thousand; 1961, \$1,000 thousand; 1962, \$1,000 thousand.

² Reimbursements from non-Federal sources above are primarily for sale of equipment, supplies, and materials; and for costs of suppressing forest fires on State and private forest lands adjacent to, or intermingled with, national forests under terms of written cooperative agreements (16 U.S.C. 572, 580, 580a); sale of personal property (40 U.S.C. 481(c)).

FOREST SERVICE—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

10. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$91 thousand; 1961, \$91 thousand; 1962, \$91 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,275	1,510	1,510
Positions other than permanent.....	648	1,132	1,132
Other personnel compensation.....	104	184	178
Total personnel compensation.....	2,027	2,826	2,820
12 Personnel benefits.....	87	153	153
21 Travel and transportation of persons.....	82	222	222
22 Transportation of things.....	92	191	191
23 Rent, communications, and utilities.....	76	105	105
24 Printing and reproduction.....	31	41	41
25 Other services.....	571	1,150	1,153
Services of other agencies.....	578	960	960
26 Supplies and materials.....	599	1,100	1,103
31 Equipment.....	36	52	52
32 Lands and structures.....	134	537	537
41 Grants, subsidies, and contributions.....		38	38
Subtotal.....	4,313	7,375	7,375
Deduct quarters and subsistence charges.....		4	4
Total obligations.....	4,313	7,371	7,371

Personnel Summary

Total number of permanent positions.....	173	192	192
Full-time equivalent of other positions.....	167	281	281
Average number of all employees.....	374	526	526
Number of employees at end of year.....	251	249	249
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069
Average salary of ungraded positions.....	\$4,724	\$4,808	\$4,799

Proposed for later transmission:

FOREST PROTECTION AND UTILIZATION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Forest land management: Fighting forest fires (total costs—obligations).....		31,500	
Financing:			
New obligational authority (proposed supplemental appropriation).....		31,500	

Under existing legislation, 1961.—A supplemental appropriation for 1961 is anticipated for fighting forest fires.

ACQUISITION OF LANDS, KLAMATH INDIANS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Acquisition of lands, Klamath Indians (total costs—obligations).....		68,717	
Financing:			
New obligational authority (proposed supplemental appropriation).....		68,717	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$68,717 thousand is anticipated for acquisition of Klamath Indian lands under the act terminating Federal supervision over the Klamath Indian Tribe in Oregon (68 Stat. 718; 72 Stat. 816).

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 three hundred and [thirty-seven] ninety-eight passenger motor vehicles, of which three hundred and [thirty-two] eighty-five 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, July 28, 1954, and September 6, 1958 (7 U.S.C. 427, 1621-1629; [72 Stat. 1793] 42 U.S.C. 1891-1893), shall be available for contracting 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, 1961.)

DEPARTMENT OF COMMERCE
BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
GENERAL ADMINISTRATION									
Current authorizations:									
Salaries and expenses.....	518	2,673	2,661	170	3,630	2,591	2,811	3,526	3,340
Salaries and expenses, Office of Field Services.....	518		2,684	184	2,950		2,702	2,956	2,790
Great Lakes pilotage administration.....	518		60				54	6	
West Virginia Centennial Celebration.....	518		10				10		
Participation in Century 21 Exposition.....	215	9,000				112	3,386	4,492	
Public enterprise funds:									
Aviation war risk insurance revolving fund.....	512					-1	-20		
Intragovernmental funds:									
Working capital fund.....	518					23	1		
Advances and reimbursements.....	518					17	8		
Total, general administration.....		11,673	5,415	354	6,580	2,743	8,952	10,980	6,130
BUREAU OF THE CENSUS									
Current authorizations:									
Salaries and expenses.....	215	8,674	9,124	523	10,740	8,234	9,477	10,344	9,040
1962 Census of Governments.....	215		90	6	1,147		90	1,080	1,074
Eighteenth Decennial Census.....	215	86,500	26,000	1,194	3,630	86,285	25,729	6,030	3,130
1963 censuses of business, manufactures, transportation, and mineral industries.....	215				1,000			931	931
1958 censuses of business, manufactures, and mineral industries.....	215	5,825	1,125	121		5,604	2,103	300	
Census of Governments (1957).....	215					93			
Intragovernmental funds:									
Advances and reimbursements.....	215					-258	325		
Total, Bureau of the Census.....		100,999	36,339	1,844	16,517	99,959	37,724	18,685	14,175
COAST AND GEODETIC SURVEY									
Current authorizations:									
Salaries and expenses.....	518	14,084	17,514	510	18,555	13,380	16,860	18,237	16,006
Construction of surveying ships.....	518		4,700		7,300	2,247	1,368	4,175	875
Construction and equipment.....	518		340				300	40	
Construction and equipment, geomagnetic station.....	518					252	146		
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Salaries and expenses.....	518			92			90	2	
Total, Coast and Geodetic Survey.....		14,084	22,554	602	25,855	15,879	18,764	22,454	16,881
BUSINESS AND DEFENSE SERVICES ADMINISTRATION									
Current authorizations:									
Salaries and expenses.....	518	6,175	4,269	284	4,700	5,973	4,773	4,689	4,180
BUREAU OF FOREIGN COMMERCE									
Current authorizations:									
Salaries and expenses.....	518	2,387	3,262	203	6,560	2,356	3,332	5,958	5,614
Export control.....	519	2,800	2,800	190	3,480	2,788	2,957	3,456	3,306
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Export control.....	519			195			185	10	
Total, Bureau of Foreign Commerce.....		5,187	6,062	588	10,040	5,144	6,474	9,424	8,920

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
OFFICE OF BUSINESS ECONOMICS									
Current authorizations:									
Salaries and expenses.....	518	1,400	1,406	102	1,600	1,345	1,503	1,600	1,474
Intragovernmental funds:									
Advances and reimbursements.....	518						32		
Total, Office of Business Economics.....		1,400	1,406	102	1,600	1,345	1,535	1,600	1,474
MARITIME ACTIVITIES									
Current authorizations:									
Ship construction.....	510	130,250	126,200		98,000	101,496	112,000	135,000	5,000
Ship construction (liquidation of contract authorization).....	510					464			
Operating differential subsidies (liquidation of contract authorization).....	510	(152,750)	(150,000)		(182,000)	152,756	150,000	182,000	
Research and development.....	510				7,000			1,200	1,200
Salaries and expenses.....	510	14,014	14,500	648	15,600	13,665	14,479	15,000	14,242
Maritime training.....	510	2,900	3,195	21	3,218	2,831	3,250	3,200	2,738
State marine schools:									
Appropriation.....	510	165	250		250		250	250	220
Appropriation to liquidate contract authorization.....	510	(960)	(1,020)		(1,020)		1,020	1,020	
Construction fund.....	510					2			
Permanent authorizations:									
Operating differential subsidies (contract authorization).....	510	153,232	157,000		167,500				
State marine schools (contract authorization).....	510	2,489	1,020		1,020				
Public enterprise funds:									
Federal ship mortgage insurance fund.....	510					-1,785	-2,818	-419	
Vessel operations revolving fund.....	510					792	1,339	2,200	
War risk insurance revolving fund.....	510					-572	-613	-452	
Intragovernmental funds:									
Advances and reimbursements.....	510					-599	602		
Total, maritime activities.....		303,050	302,165	669	292,588	270,191	279,509	339,000	23,400
INLAND WATERWAYS CORPORATION									
Public enterprise funds:									
Inland Waterways Corporation fund.....	510								
Limitation on administrative expenses, Inland Waterways Corporation.....		(2)	(2)		(2)	-875	-798	-821	
PATENT OFFICE									
Current authorizations:									
Salaries and expenses.....	518	22,000	22,568	1,315	24,425	20,983	23,802	24,370	21,982
BUREAU OF PUBLIC ROADS									
Current authorizations:									
Limitation on general administrative expenses (trust fund).....		(29,500)	(29,626)	(1,844)	(33,800)				
Federal-aid highways (trust fund) (liquidation of contract authorization).....		(3,028,000)	(2,688,692)		(2,991,000)				
Federal-aid highways (liquidation of contract authorization).....	511					-250			
Forest highways:									
Contract authorization.....	511		33,000						
Appropriation to liquidate contract authorization.....	511	(30,000)	(27,000)		(27,400)	27,812	30,893	33,000	
Public lands highways:									
Contract authorization.....	511		3,500						
Appropriation to liquidate contract authorization.....	511	(4,000)	(2,700)		(3,000)	1,902	3,956	4,500	
Inter-American Highway.....	152					8,957	9,000	9,215	
Woodrow Wilson Memorial Bridge.....	511					7,716	3,852	29	
Access roads (act of Sept. 7, 1950).....	511					629	226	256	
Construction, operation, and maintenance of roads, Alaska.....	511					142	42		
Surveys and plans.....	511					98	98		
Permanent authorizations:									
Forest highways (contract authorization).....	511	33,000			33,000				
Public-lands highways (contract authorization).....	511	3,000			3,000				

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
BUREAU OF PUBLIC ROADS—Continued									
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Federal-aid highways (trust fund) (liquidation of contract authorization).....				(92,000)					
Under proposed legislation:									
Forest highways (contract authorization).....	511								
Liquidation of contract authorization.....	511								
Liquidation of contract authorization (trust fund).....									
Public-lands highways (contract authorization).....	511								
Liquidation of contract authorization.....	511								
Liquidation of contract authorization (trust fund).....									
Total, Bureau of Public Roads.....		36,000	36,500			47,005	48,067	9,500	
NATIONAL BUREAU OF STANDARDS									
Current authorizations:									
Research and technical services.....	215	17,250	18,800	953	24,000	16,523	19,550	23,715	21,364
Research and technical services (special foreign currency program).....	215				1,000			200	200
Plant and facilities.....	215	2,140	2,000		2,000	474	2,510	2,710	882
Construction of facilities.....	215		23,500		50,000	472	2,538	24,309	10,552
Intragovernmental funds:									
Working capital fund.....	215					-693	396	-929	
Advances and reimbursements.....	215					16	3	3	
Total, National Bureau of Standards.....		19,390	44,300	953	77,000	16,791	24,997	50,008	32,998
WEATHER BUREAU									
Current authorizations:									
Salaries and expenses.....	607	48,855	46,228	2,573	55,615	48,479	48,309	54,415	50,387
Research and development.....	607		6,263	184	9,000		5,904	8,206	7,735
Establishment of meteorological facilities.....	607	2,500	5,250		5,250	5,580	3,116	3,714	405
Intragovernmental funds:									
Advances and reimbursements.....	607					-26			
Total, Weather Bureau.....		51,355	57,741	2,757	69,865	54,033	57,329	66,335	58,527
AREA ASSISTANCE									
Proposed for later transmission (other than pay increase supplementals):									
Under proposed legislation: Area assistance activities.....	518				83,000			10,000	10,000
Total new obligational authority and budget expenditures.....		571,313	539,319	9,468	612,170	539,171	511,128	566,224	198,667
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		379,592	344,799		360,650				
Appropriations to liquidate contract authorizations.....		(187,710)	(180,720)		(213,420)				
Contract authorizations.....			36,500						
Permanent authorizations:									
Contract authorizations.....		191,721	158,020		204,520				
Proposed for later transmission:									
Pay increase supplemental appropriations.....			9,181				8,636	545	
Other:									
Appropriations.....			287		83,000				
Appropriations to liquidate contract authorizations.....					(-30,400)		275	-27,488	10,000
Contract authorizations.....					-36,000				
Total new obligational authority and budget expenditures.....		571,313	548,787		612,170	539,171	511,128	566,224	198,667

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
GENERAL ADMINISTRATION										
Aviation war risk insurance revolving fund.....	512		6		1	26		-1	-20	
MARITIME ACTIVITIES										
Federal ship mortgage insurance fund.....	510	397	885	3,292	2,182	3,703	3,711	-1,785	-2,818	-419
Vessel operations revolving fund.....	510	5,751	6,903	6,375	4,959	5,564	4,175	792	1,339	2,200
War risk insurance revolving fund.....	510	47	219	29	618	832	481	-572	-613	-452
Total, maritime activities.....		6,195	8,007	9,696	7,759	10,099	8,367	-1,565	-2,092	1,329
INLAND WATERWAYS CORPORATION										
Inland Waterways Corporation fund.....	510	153	55	7	1,028	853	828	-875	-798	-821
Total, public enterprise funds.....		6,348	8,068	9,703	8,788	10,978	9,195	-2,440	-2,910	508

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Participation in Century 21 Exposition, general administration.....			8,678	8,888	2,761	5,502	583	1,010
Eighteenth Decennial Census, Bureau of the Census.....	322	1,220		4,749	1,500	2,900		500
1958 censuses of business, manufactures, and mineral industries, Bureau of the Census.....	262	936	944	1,157		300		
Construction of surveying ships, Coast and Geodetic Survey.....	83	2,615	36	368	180	3,700	390	6,825
Construction and equipment, Coast and Geodetic Survey.....					40	40		
Construction and equipment, geomagnetic station, Coast and Geodetic Survey.....	378	398	11	146				
Ship construction, maritime activities.....	95,183	260,425	116,392	289,179	19,359	303,379	9,109	265,129
Ship construction (liquidation of contract authorization), maritime activities.....	6,931	6,946	121	121				
Research and development, maritime activities.....								7,050
Forest highways (liquidation of contract authorization), Bureau of Public Roads.....		7,305		9,493		5,600		
Public lands highways (liquidation of contract authorization), Bureau of Public Roads.....		657	1,104	2,756		1,500		
Inter-American Highway, Bureau of Public Roads.....	10,081	35,695	2,806	26,739	1,140	17,739	786	8,524
Woodrow Wilson Memorial Bridge, Bureau of Public Roads.....	2,405	11,596	762	3,881	29	29		
Access roads (act of Sept. 7, 1950), Bureau of Public Roads.....	736	1,295	554	666	369	440	184	184
Research and technical services (special foreign currency program), National Bureau of Standards.....							10	800
Plant and facilities, National Bureau of Standards.....	507	672	2,097	2,338	647	1,828	344	1,118
Construction of facilities, National Bureau of Standards.....	1,193	3,247	995	2,775	4,717	23,737	2,531	49,428
Research and development, Weather Bureau.....						543		1,337
Establishment of meteorological facilities, Weather Bureau.....	920	6,298	1,482	3,218	2,176	5,352	3,320	6,888
Other.....	364	12,251		13,922		16,777		20,514
Subtotal.....	119,365	351,556	135,982	370,396	32,918	389,366	17,257	369,307
Balances of anticipated pay increase supplementals included above.....						-545		
Total appropriations.....	119,365	351,556	135,982	370,396	32,918	388,821	17,257	369,307
Contract authorizations:								
Operating-differential subsidies, maritime activities.....		132,911		133,393		140,393		125,893
State marine schools, maritime activities.....				1,529		1,529		1,529
Forest highways, Bureau of Public Roads.....	38,490	59,250	43,733	62,250	40,000	68,250		
Public lands highways, Bureau of Public Roads.....	3,265	4,000	3,000	3,000	3,500	3,800		
Total, contract authorizations.....	41,755	196,161	46,733	200,172	43,500	213,972		127,422
Revolving and management funds:								
Aviation war risk insurance, general administration.....			1	1				
Defense production guarantees, general administration.....	6	6						
Working capital fund, general administration.....	86	180	227	157	226	156	226	156
Advances and reimbursements, Office of Business Economics.....	28	32	27	32				
Federal ship mortgage insurance fund, maritime activities.....	717	749	2,626	2,534	5,385	5,353	4,401	4,372
Vessel operations revolving fund, maritime activities.....	14,158	12,975	13,269	12,183	12,065	10,844	10,134	8,644
War risk insurance revolving fund, maritime activities.....	1,058	1,003	1,611	1,575	2,259	2,188	2,690	2,640
Advances and reimbursements, maritime activities.....	14	47	198	321				
Inland Waterways Corporation fund.....	6,788	6,987	7,814	7,862	8,659	8,659	9,480	9,480
Working capital fund, National Bureau of Standards.....	8,237	9,112	8,006	9,557	8,244	8,933	8,282	9,667
Advances and reimbursements, National Bureau of Standards.....	11	12	8	8	5	5	2	2
Advances and reimbursements, Weather Bureau.....	33	152	100	178		178		178
Other.....		165		620		5		5
Total, revolving and management funds.....	31,136	31,420	33,887	35,028	36,843	36,321	35,215	35,144
Proposed for later transmission:								
Appropriations other than pay increase supplementals.....						12	60,000	73,000
Anticipated pay increase supplemental appropriations.....						545		
Total, proposed for later transmission.....						557	60,000	73,000
Total, Department of Commerce.....	192,260	579,139	216,602	605,593	113,261	639,671	112,472	604,873

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	571,313	548,787	612,170
Unobligated balances brought forward, start of year.....	192,260	216,602	113,261
Appropriations available in prior year (-).....		-3,314	
Appropriations available from subsequent year.....	3,314		
Unobligated balances rescinded (-).....	-6,612		-79,150
Unobligated balances lapsing (-).....	-1,350	-21	-1,400
Capital transfers from revolving funds to receipt accounts (-).....	-254	-249	-195
Unobligated balances carried forward, end of year (-).....	-216,602	-113,261	-112,472
Obligations incurred, net	542,069	648,544	532,214
Obligated balances brought forward, start of year.....	386,879	388,991	526,410
Adjustments of balances in expired accounts.....	-786		
Obligated balances carried forward, end of year (-).....	-388,991	-526,410	-492,401
Budget expenditures	539,171	511,128	566,224

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
International affairs and finance:						
152 Economic and financial assistance.....				8,957	9,000	9,215
Labor and welfare:						
215 Promotion of science, research, libraries, and museums.....	129,389	83,436	93,517	116,862	66,107	73,185
Commerce, housing, and space technology:						
510 Promotion of water transportation.....	303,050	302,834	292,588	269,316	278,711	338,179
511 Provision of highways.....	36,000	36,500		38,049	39,067	285
512 Promotion of aviation.....				-1	-20	
518 Other aids to business.....	48,719	62,334	152,720	49,167	57,792	75,559
519 Regulation of commerce and finance.....	2,800	3,185	3,480	2,788	3,142	3,466
Total, commerce, housing, and space technology.....	390,569	404,853	448,788	359,319	378,692	417,489
General government:						
607 Civilian weather service.....	51,355	60,498	69,865	54,033	57,329	66,335
Total, Department of Commerce.....	571,313	548,787	612,170	539,171	511,128	566,224

GENERAL ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce, **[\$2,660,875]** including expenses necessary to carry out the provisions of the Great Lakes Pilotage Act of 1960 (74 Stat. 259), and not to exceed \$2,500 for official entertainment, \$3,630,000. (5 U.S.C. 591-607; 50 U.S.C., App. 2021-2032, 2061-2166; 50 U.S.C. 402b; 74 Stat. 259-262; Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$130 thousand transferred from "Great Lakes pilotage administration." The amount obligated in 1961 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction of the Department.....	742	774	912
2. Departmental staff services.....	1,281	1,406	1,784
3. Administrative services.....	637	693	804
4. Great Lakes pilotage administration.....		60	130
Total program costs.....	2,660	2,933	3,630
5. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-18		
Total obligations.....	2,642	2,933	3,630
Financing:			
Comparative transfers from (-) other accounts.....	-12	-102	
Unobligated balance lapsing.....	43		
New obligational authority.....	2,673	2,831	3,630
New obligational authority:			
Appropriation.....	2,660	2,661	3,630
Transferred from "Salaries and expenses," Bureau of Foreign Commerce (64 Stat. 1263).....	13		
Appropriation (adjusted).....	2,673	2,661	3,630
Proposed supplemental due to pay increases.....		170	

1. *Executive direction of the Department.*—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, management, information, publication, security, and legal.

3. *Administrative services.*—Department-wide direction is provided in property, space, records, general administrative services, safety, motor vehicles, and library activities. Centralized general administrative services, including accounting, are furnished to the smaller bureaus of the Department.

4. *Great Lakes pilotage administration.*—Provides for the Administration of a pilotage service in conjunction with the Department of State, the Coast Guard, and Canadian counterparts as prescribed in the Great Lakes Pilotage Act of 1960.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$38

thousand; 1959 (adjusted), \$44 thousand; 1960, \$26 thousand; 1961, \$26 thousand; 1962, \$26 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,087	2,439	2,929
Positions other than permanent.....	107	63	91
Other personnel compensation.....	40	16	7
Total personnel compensation.....	2,234	2,518	3,026
12 Personnel benefits.....			
146	181	216	
21 Travel and transportation of persons.....			
50	57	76	
23 Rent, communications, and utilities.....			
44	47	87	
24 Printing and reproduction.....			
62	68	76	
25 Other services.....			
52	45	60	
26 Supplies and materials.....			
31	36	40	
31 Equipment.....			
23	21	49	
Total program.....	2,642	2,973	3,630
Deduct portion shown above chargeable to other accounts.....		40	
Total obligations.....	2,642	2,933	3,630

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	259	286	343
Full-time equivalent of other positions.....	13	6	8
Average number of all employees.....	268	284	343
Number of employees at end of year.....	267	286	343
Average GS grade.....	9.5	9.5	9.5
Average GS salary.....	\$8,057	\$8,657	\$8,618

OFFICE OF FIELD SERVICES

SALARIES AND EXPENSES

For expenses necessary to operate and maintain field offices for the collection and dissemination of information useful in the development and improvement of commerce throughout the United States and its possessions, **[\$2,584,000]** \$2,950,000.

For an additional amount for "Salaries and expenses", \$100,000.] (5 U.S.C. 591, 596-7; 15 U.S.C. 171, 175; Reorganization Plan No. 5 of 1950, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Field services (total program costs).....	2,281	2,867	2,950
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....		1	
Total obligations.....	2,281	2,868	2,950
Financing:			
Comparative transfers from (-) other accounts.....	-2,281		
New obligational authority.....		2,868	2,950
New obligational authority:			
Appropriation.....		2,684	2,950
Proposed supplemental due to pay increases.....		184	

GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

OFFICE OF FIELD SERVICES—Continued

SALARIES AND EXPENSES—continued

1. *Field services.*—This Office is responsible for the execution of the field programs of the Business and Defense Services Administration, the Bureau of Foreign Commerce, the Office of Business Economics, and provides outlets for the statistical data published by the Department. These programs provide the means for enabling the Department of Commerce to deal with the business public on a local basis covering all phases of the Department's trade promotion and development programs, foreign and domestic. In addition, the Office also gathers information required by the constituent units it represents.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5 thousand; 1960, \$5 thousand; 1961, \$6 thousand; 1962, \$6 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	1,914	2,400	2,450
12 Personnel benefits.....	124	190	197
21 Travel and transportation of persons.....	45	50	60
22 Transportation of things.....	3	5	5
23 Rent, communications, and utilities.....	82	90	100
24 Printing and reproduction.....	51	53	53
25 Other services.....	10	10	10
26 Supplies and materials.....	30	35	35
31 Equipment.....	22	35	40
Total obligations.....	2,281	2,868	2,950

Personnel Summary

Total number of permanent positions.....	298	347	349
Average number of all employees.....	278	332	340
Number of employees at end of year.....	296	345	345
Average GS grade.....	7.6	7.8	7.8
Average GS salary.....	\$6,680	\$7,234	\$7,206

【GREAT LAKES PILOTAGE ADMINISTRATION】

【For expenses necessary to carry out the provisions of the Great Lakes Pilotage Act of 1960, including hire of passenger motor vehicles, and 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 day, \$60,000.】 (74 Stat. 259-262; Second Supplemental Appropriation Act, 1961.)

Note.—Estimate of \$130 thousand for this activity has been transferred to "Salaries and expenses." The amount obligated in 1961 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		60	
New obligational authority (appropriation).....		60	

The Great Lakes Pilotage Act of 1960 established certain pilotage requirements for ocean-going vessels of

U.S. and foreign registry while navigating the Great Lakes, parts of the Saint Lawrence River, and adjacent port area. The Secretary of Commerce is designated in consultation with the Department of State, the Coast Guard, and the Canadian Government to establish and administer a pilotage service prescribed in the act. Financing of these activities in 1962 will be provided under "Salaries and expenses," general administration.

【WEST VIRGINIA CENTENNIAL CELEBRATION】

【For expenses necessary to carry out the provisions of the Act of June 11, 1960 (74 Stat. 204), \$10,000, to remain available until expended.】 (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
West Virginia Centennial Celebration (total obligations) (object class 25).....		10	
Financing:			
New obligational authority (appropriation).....		10	

Funds have been appropriated to undertake a study of the manner and extent of Federal participation in the West Virginia Centennial Celebration. Completion is anticipated during fiscal year 1961.

PARTICIPATION IN CENTURY 21 EXPOSITION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Exhibit program.....	36	1,847	1,992
2. Program direction and administration.....	96	240	337
Total operating costs.....	132	2,087	2,329
Capital outlay:			
3. Exhibit hall:			
Site development and construction.....		1,400	2,143
Design and supervision.....	4	257	54
Total capital outlay.....	4	1,657	2,197
Total program costs.....	136	3,744	4,526
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....			—2,348
Obligations incurred for costs of other years, net.....	186	2,173	
Total obligations.....	322	5,917	2,178
Financing:			
Unobligated balance brought forward.....		—8,678	—2,761
Unobligated balance carried forward.....	8,678	2,761	583
New obligational authority (appropriation).....	9,000		

Funds have been provided for Federal Government participation in the Seattle, Wash., international exposition known as Century 21, to take place from April 21 to October 21, 1962.

1. *Exhibit program.*—Exhibits will be constructed in 1961. The program theme and content encompass the

"Role and Meaning of Science," "Methods and Laws of Science," "Dimension of Space, Time and Distance," "Science at Work," and "Frontiers of Science." Exhibit ideas, as developed by various government agencies, are considered and recommended for inclusion by the Science Advisory Committee and The U.S. Science Exhibit staff.

2. *Program direction and administration.*—The management of the Federal Government participation is supported herein together with administrative costs.

3. *Exhibit hall.*—Federal participation includes the construction of appropriate exhibit buildings. Design, construction, and supervision of these exhibit areas are the responsibility of the Federal Government. Initial architectural plans have been completed and construction will begin in February 1961 with completion scheduled for February 1962.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$186 thousand; 1961, \$2,359 thousand; 1962, \$11 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	87	179	209
Positions other than permanent.....	5	4	4
Other personnel compensation.....	1	12	11
Total personnel compensation.....	93	195	224
12 Personnel benefits.....	8	15	16
21 Travel and transportation of persons.....	15	31	23
22 Transportation of things.....		100	200
23 Rent, communications, and utilities.....	2	6	46
24 Printing and reproduction.....	1	4	10
25 Other services.....	19	2,046	1,393
26 Supplies and materials.....	1	5	10
31 Equipment.....	4	15	35
32 Lands and structures.....	179	3,500	221
Total obligations.....	322	5,917	2,178

Personnel Summary

Total number of permanent positions.....	14	18	27
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	10	18	23
Number of employees at end of year.....	14	18	27
Average GS grade.....	11.1	11.2	9.8
Average GS salary.....	\$10,133	\$10,557	\$8,958

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," funds appropriated to the President.
 "President's special international program," funds appropriated to the President.

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 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 current fiscal year for aviation war risk insurance activities under said Act (72 Stat. 800). (72 Stat. 800-806; Department of Commerce and Related Agencies Appropriation Act 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative expenses (total costs—obligations).....		6	
Financing:			
Amounts becoming available: Revenue and receipts: Fees for issuance of binders.....	1	26	
Unobligated balance brought forward.....		1	
Total amounts available.....	1	27	
Capital transfer (payment of earnings to Treasury) (—).....		—21	
Unobligated balance carried forward.....	—1		
Financing applied to program.....		6	

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, expires June 13, 1961). Legislation will be requested to extend the authority.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expenses.....		6	
Receipts from operations (funds provided):			
Revenue.....	1	26	
Budget expenditures.....	—1	—20	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue.....	1	26	
Expense.....		6	
Net income for the year.....	1	20	
Analysis of retained earnings:			
Retained earnings, beginning of year.....		1	
Payment of earnings to Treasury (—).....		—21	
Retained earnings, end of year.....	1		

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	1		
Government Investment:			
Retained earnings.....	1		

Note.—Not included above, contingent liability in the event of national emergency and the issuance of binders in existence is estimated to be: 1960, \$32,600 thousand; 1961, \$791,900 thousand.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash (unobligated balance).....		1		

GENERAL ADMINISTRATION—Continued**Public enterprise funds—Continued****AVIATION WAR RISK INSURANCE REVOLVING FUND—Continued****Object Classification (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....		1	
21 Travel and transportation of persons.....		1	
25 Other services.....		4	
Total obligations.....		6	

DEFENSE PRODUCTION GUARANTEES**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	6		
Capital transfer (payment of earnings to Treasury) (—).....	—6		
Financing applied to program.....			

Net earnings, retained to meet possible future losses (Defense Production Act of 1950, sec. 301, as amended), were paid into the Treasury during 1960.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year.....	6		
Payment of earnings to Treasury (—).....	—6		
Retained earnings, end of year.....			

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	6			

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 temporarily expanded during 1961 and part of 1962 to care for increased workload following the 1960 Decennial Census. Sales are priced essentially at cost. Earnings are paid to the Treasury periodically. Capital includes an appropriation of \$100 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment.....	35	50	55
Expense:			
Purchase of commodities for manufacture or sale.....	437	440	440
Other expense.....	1,553	1,637	1,632
Prior year expense.....	1		
Increase in selected working capital.....	54	1	
Total gross expenditures.....	2,080	2,128	2,127
Receipts from operations (funds provided):			
Sales program: Revenue.....	2,049	2,127	2,127
Undistributed receipts:			
Proceeds from sale of equipment.....	7		
Discounts taken.....	1		
Total receipts from operations.....	2,057	2,127	2,127
Budget expenditures	23	1	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Sales program:			
Revenue.....	2,049	2,127	2,127
Expense.....	2,045	2,127	2,127
Net operating income, sales program.....	4		
Net operating loss (—):			
Proceeds from sale of equipment.....	7		
Net book value of assets sold (—).....	9		
Net loss (—) from sale.....	—2		
Discounts taken.....	1		
Net nonoperating loss (—).....	—1		
Net income for the year.....	3		
Analysis of retained earnings:			
Retained earnings, beginning of year.....	331	334	334
Adjustment of prior year expense.....	—1		
Retained earnings, end of year.....	334	334	334

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	157	156	156
Accounts receivable, net.....	337	340	340
Commodities for sale.....	109	110	110
Capital improvements and equipment, net.....	330	330	330
Total assets.....	933	936	936
Liabilities:			
Current.....	248	250	250
Government investment:			
Non-interest-bearing capital:			
Start of year.....	351	352	352
Donated property.....	1		
End of year.....	352	352	352
Retained earnings.....	334	334	334
Total Government investment.....	686	686	686

Note.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$80 thousand; 1960, \$19 thousand; 1961, \$20 thousand; 1962, \$20 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	887	927	937
Positions other than permanent.....		30	18
Other personnel compensation.....	42	38	35
Add excess of annual leave earned over leave taken.....	3		
Total personnel compensation.....	931	995	990
12 Personnel benefits.....	62	76	76
21 Travel and transportation of persons.....	11	11	11
23 Rent, communications, and utilities.....	415	420	420
24 Printing and reproduction.....	124	124	124
25 Other services.....	18	18	18
26 Supplies and materials.....	429	433	433
31 Equipment.....	35	50	55
Total accrued expenditures.....	2,025	2,127	2,127
Increase or decrease (-) in unpaid undelivered orders.....	-61	1	
Total obligations.....	1,965	2,128	2,127

Personnel Summary

Total number of permanent positions.....	173	175	173
Full-time equivalent of other positions.....		7	4
Average number of all employees.....	170	174	170
Number of employees at end of year.....	173	185	173
Average GS grade.....	5.6	5.8	5.8
Average GS salary.....	\$5,174	\$5,628	\$5,752
Average salary of ungraded positions.....	\$5,248	\$5,499	\$5,554

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Air Coordinating Committee:			
Army.....	18	5	
Air Force.....	18	5	
Department of Commerce.....	18	5	
Department of Defense.....	3	1	
Navy.....	18	5	
Post Office Department.....	16	4	
Department of State.....	16	4	
Department of the Treasury.....	16	4	
Civil Aeronautics Board.....	18	5	
Federal Aviation Agency.....	18	5	
Federal Communication Commission.....	16	4	
Total, Air Coordinating Committee.....	175	47	
2. Government Patents Board:			
Department of Agriculture.....	5	6	6
Department of Commerce.....	3	3	
Department of Defense.....	47	59	60
Department of Health, Education, and Welfare.....	2	2	2
Department of the Interior.....	2	2	2
National Aeronautics and Space Administration.....	3	3	4
Total, Government Patents Board.....	62	75	77
3. Administrative services performed for other accounts:			
Bureau of Foreign Commerce.....	75	123	80
Business and Defense Services Administration.....	97	135	135

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Miscellaneous services to other accounts.....	141	16	6
Total program costs.....	550	396	298
5. Relation of costs to obligations: Costs financed from obligations of other years net (-).....	-43		
Total obligations.....	507	396	298
Financing:			
Advances and reimbursements from other accounts.....	532	396	298
Unobligated balance lapsing.....	-25		
Total financing.....	507	396	298

1. *Air Coordinating Committee.*—Executive Order 10883 provided for the termination of the Air Coordinating Committee during fiscal year 1961 and assigned future responsibility for interagency coordination of aviation matters to the Administrator of the Federal Aviation Agency.

2. *Government Patents Board.*—The Board is responsible, under Executive Order 10096, for the administration and interpretation of the policy set forth therein governing the respective property rights of the Government and its employees in inventions made by its employees.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$49 thousand; 1959 (adjusted), \$43 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	375	347	266
Positions other than permanent.....	5	3	3
Other personnel compensation.....	4	1	
Total personnel compensation.....	383	351	269
12 Personnel benefits.....	26	26	20
21 Travel and transportation of persons.....	3	2	3
23 Rent, communications, and utilities.....	6	5	2
24 Printing and reproduction.....	8	4	2
25 Other services.....	66	3	1
26 Supplies and materials.....	15	3	1
31 Equipment.....		2	
Total obligations.....	507	396	298

Personnel Summary

Total number of permanent positions.....	71	84	53
Full-time equivalent of other positions.....	1		
Average number of all employees.....	67	64	52
Number of employees at end of year.....	74	63	53
Average GS grade.....	6.0	5.9	4.6
Average GS salary.....	\$5,671	\$5,883	\$5,164

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, \$8,898,500] \$10,740,000.

[For an additional amount for "Salaries and expenses", \$150,000.]

[For an additional amount for "Salaries and expenses," \$75,000.] (5 U.S.C. 601, 1082, 13 U.S.C. 22, 23, 24 as amended by Public Law 769, 86th Congress; 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, 1961; Supplemental Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Retail, wholesale, and service trade statistics.....	1,370	1,436	1,884
2. Manufacturing and industrial statistics.....	1,137	1,379	1,532
3. Agriculture statistics.....	204	224	224
4. Foreign trade and shipping statistics.....	2,462	2,616	2,688
5. Population statistics.....	976	1,059	1,177
6. Construction and housing statistics.....	913	1,175	1,342
7. State and local government statistics.....	271	305	304
8. Statistical abstract and special reports.....	365	434	434
9. General administration.....	982	1,045	1,181
Total operating costs.....	8,680	9,673	10,766
10. Unfunded adjustment to total operating costs: Depreciation included above (-).....	-121	-120	-130
Total operating costs, funded.....	8,559	9,553	10,636
Capital outlay:			
11. Machinery and equipment.....	114	94	104
Total program costs, funded.....	8,673	9,647	10,740
12. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-35		
Total obligations.....	8,638	9,647	10,740
Financing:			
Unobligated balance lapsing.....	36		
New obligational authority.....	8,674	9,647	10,740
New obligational authority:			
Appropriation.....	8,674	9,124	10,740
Proposed supplemental due to pay increases.....		523	

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, including an advance report of retail sales within 10 days of the close of the month. Once a year, data for retail trades are collected to provide annual regional sales and a base for the projection of the monthly inventory estimates. In 1962, estimates of total retail sales and of the subtotal consisting of

businesses in the general merchandise-apparel-furniture-appliance groups will be provided weekly. Also monthly estimates of total retail sales and of sales of some of the major kind-of-business groups will be provided for geographic divisions of the Nation. Monthly estimates for 20 large metropolitan centers of the retail sales of the general merchandise-apparel-furniture-appliance subgroup will be made available. Monthly estimates of receipts of the major service trades segments also will be initiated.

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 by measures of factory operations such as employment, shipments, inventories, etc. In 1962, periodic surveys will extend coverage to key products of growth industries. Timing, accuracy, and amount of industrial detail of monthly survey will be improved.

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 1962, data will be presented on air cargo shipments.

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 population. In 1962, quarterly surveys of consumer buying anticipations will be initiated as a regular census program.

6. *Construction and housing statistics.*—Monthly reports are published for housing starts, number of dwelling units and value of residential construction authorized by building permits, and construction costs, as well as quarterly data on housing vacancies and expenditures for residential alterations and repairs. In 1962, a quarterly survey of expenditures for nonresidential repairs, additions, and alterations and development of a construction-price index will be initiated.

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. A new survey initiated in 1961 will provide for annual publication of selected financial data, such as company sales, inventories, new capital expenditures, and assets, in which the unit of tabulation is the company rather than the individual establishment.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	164	211	211	211
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	119	119	119	119
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-676	-776	-776	-776
Total selected resources at end of year.....	-393	-446	-446	-446
Selected resources at start of year.....		393	446	446
Adjustment of selected resources reported at start of year.....		18		
Costs financed from obligations of other years, net (-).....		-35		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,708	6,560	7,211
Positions other than permanent.....	551	725	872
Other personnel compensation.....	323	302	304
Add excess of annual leave earned over leave taken.....	82		
Total personnel compensation.....	6,664	7,587	8,387
12 Personnel benefits.....	398	478	526
21 Travel and transportation of persons.....	366	384	465
22 Transportation of things.....	24	28	30
23 Rent, communications, and utilities.....	493	479	561
24 Printing and reproduction.....	369	344	376
25 Other services.....	72	75	91
Services of other agencies.....	29	30	38
26 Supplies and materials.....	140	146	158
31 Equipment.....	118	96	108
Total costs.....	8,673	9,647	10,740
Costs financed from obligations of other years, net (-).....	-35		
Total obligations.....	8,638	9,647	10,740

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,137	1,192	1,306
Full-time equivalent of other positions.....	176	186	221
Average number of all employees.....	1,228	1,329	1,483
Number of employees at end of year.....	2,105	1,908	2,030
Average GS grade.....	6.8	6.9	6.9
Average GS salary.....	\$5,765	\$6,218	\$6,210
Average salary of ungraded positions.....	\$5,380	\$5,430	\$5,430

1962 CENSUS OF GOVERNMENTS

For an additional amount for expenses necessary for preparing for, taking, compiling, and publishing the 1962 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, \$90,000] \$1,147,000, to remain available until June 30, 1964. (13 U.S.C. 161; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Preparatory work.....		85	58
2. Data collection.....			526
3. Data processing.....			412
4. Publication.....			26
5. General administration.....		11	115
Total operating costs.....		96	1,137
6. Unfunded adjustment to total operating costs: Depreciation included above (-).....		-2	-12
Total operating costs, funded.....		94	1,125
Capital outlay:			
7. Machinery and equipment.....		2	12
Total program costs, funded.....		96	1,137
8. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			10
Total obligations.....		96	1,147
Financing:			
New obligational authority.....		96	1,147
New obligational authority:			
Appropriation.....		90	1,147
Proposed supplemental due to pay increases.....		6	

This census will identify, count, and classify all local governmental units, and produce data regarding the employment, receipts, expenditures, and indebtedness of all State, city, county, and other local governmental units. Last conducted in 1957, it is scheduled by law to be conducted in 1962. Work planned for 1962 consists of collecting and processing most of the data to identify local governmental units, the data regarding public employment and taxable wealth, and for the completion of preparation for the governmental finances survey.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1962, \$10 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Positions other than permanent.....		82	766
Other personnel compensation.....		1	3
Total personnel compensation.....		83	769
12 Personnel benefits.....		6	48
21 Travel and transportation of persons.....		4	107
22 Transportation of things.....			3
23 Rent, communications, and utilities.....		1	146
24 Printing and reproduction.....			35
25 Other services.....			3
Services of other agencies.....			1
26 Supplies and materials.....			13
31 Equipment.....		2	12
Total costs.....		96	1,137
Obligations incurred for costs of other years, net.....			10
Total obligations.....		96	1,147

BUREAU OF THE CENSUS—Continued

Current authorizations—Continued

1962 CENSUS OF GOVERNMENTS—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....		11	144
Number of employees at end of year.....		20	100
Average GS grade.....		6.9	6.9
Average GS salary.....		\$6,218	\$6,210
Average salary of ungraded positions.....		\$5,430	\$5,430

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 appropriation; \$17,500,000] \$3,630,000, to remain available until December 31, 1962.

[For an additional amount for "Eighteenth Decennial Census", \$8,500,000, to remain available until December 31, 1962.] (5 U.S.C. 1082, 13 U.S.C. 5-9, 11-13, 22, 23, 24, as amended by Public Law 86-769; 25, 26, 141, 142, 193, 195; Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Census of population.....	54,282	10,994	3,317
2. Census of housing.....	17,836	3,991	1,176
3. Census of agriculture.....	14,848	4,425	881
4. General administration.....	2,246	2,757	235
Total operating costs.....	89,212	22,167	5,609
5. Unfunded adjustment to total operating costs: Depreciation included above (-).....	-47	-310	-105
Total operating costs, funded.....	89,165	21,857	5,504
Capital outlay:			
6. Electronic equipment.....	413		
7. Electronic magnetic tape.....	373	48	
8. Machinery and equipment.....	773	175	
Total capital outlay.....	1,559	223	
Total program costs, funded.....	90,724	22,080	5,504
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-588		-374
Obligations incurred for costs of other years, net.....		300	
Total obligations.....	90,136	22,380	5,130
Financing:			
Unobligated balance brought forward.....	-322		-1,500
Appropriation available from subsequent year.....	-3,314		
Appropriation available in prior year.....		3,314	
Unobligated balance carried forward.....		1,500	
New obligational authority.....	86,500	27,194	3,630
New obligational authority:			
Appropriation.....	86,500	26,000	3,630
Proposed supplemental due to pay increases.....		1,194	

The request of \$3,630 thousand will provide for the completion of the tabulation and publication of the Eighteenth Decennial Census, total cost being about \$128,000 thousand. The work in 1962 will include: completion of the electronic computer processing of the remaining statistical and analytical tabulations; post-tabulation work consisting of table review, analytical review, and correction of errors; completion of printing and publication; and orderly disposition of files and records. As in past censuses, the appropriation is available for 6 months beyond the close of the fiscal year (until December 31, 1962) to assure an orderly final liquidation.

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Preparatory work.....	5,753		
Data collection.....	78,031	1,184	
Data processing.....	6,026	20,696	4,560
Publication.....	326	500	570
Total.....	90,136	22,380	5,130

9. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	529	374	374	
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-438	-873	-573	-573
Total selected resources at end of year.....	91	-499	-199	-573
Selected resources at start of year (-).....		-91	499	199
Adjustment of selected resources reported at start of year.....		2		
Costs financed from obligations of other years, net (-).....		-588		-374
Obligations incurred for costs of other years, net.....			300	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	979	1,167	975
Positions other than permanent.....	66,114	16,436	2,333
Other personnel compensation.....	1,027	65	13
Add excess of leave earned over leave taken.....	435		
Deduct excess of annual leave taken over leave earned.....		300	
Total personnel compensation.....	68,555	17,368	3,321
12 Personnel benefits.....	2,276	976	239
21 Travel and transportation of persons.....	7,447	568	123
22 Transportation of things.....	581	108	58
23 Rent, communications, and utilities.....	4,031	627	58
24 Printing and reproduction.....	2,522	624	1,094
25 Other services.....	2,000	617	254
Services of other agencies.....	734	516	255
26 Supplies and materials.....	1,156	453	102
31 Equipment.....	1,422	223	
Total costs.....	90,724	22,080	5,504
Costs financed from obligations of other years, net (-).....	-588		-374
Obligations incurred for costs of other years, net.....		300	
Total obligations.....	90,136	22,380	5,130

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	171	188	157
Full-time equivalent of other positions.....	6,787	3,584	425
Average number of all employees.....	6,958	3,772	582
Number of employees at end of year.....	18,261	2,000	500
Average GS grade.....	6.8	6.9	6.9
Average GS salary.....	\$5,765	\$6,218	\$6,210
Average salary of ungraded positions.....	\$5,380	\$5,430	\$5,430

1963 CENSUSES OF BUSINESS, TRANSPORTATION, MANUFACTURES, AND MINERAL INDUSTRIES

For expenses necessary for preparing for, taking, compiling, and publishing the 1963 censuses of business, transportation, manufactures, and mineral industries, as authorized by law, \$1,000,000, to remain available until December 31, 1966. (5 U.S.C. 1082; 13 U.S.C. 22, 23, 24 as amended by Public Law 86-769, 131, 193, 195.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Census of business.....			367
2. Census of manufactures.....			428
3. Census of mineral industries.....			95
4. General administration.....			110
Total operating costs.....			1,000
5. Unfunded adjustment to total operating costs: Depreciation included above (-).....			-15
Total operating costs, funded.....			985
Capital outlay:			
6. Machinery and equipment.....			15
Total program costs—obligations.....			1,000
Financing:			
New obligational authority (appropriation).....			1,000

The 1963 Censuses of Business, Transportation, 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 business and industrial enterprises. Preparatory work will begin in 1962 on report forms, mailing lists, computer programs, and processing specifications. Collection of supplemental inquiries will begin.

[In thousands of dollars]

	1962 estimate
Preparatory work.....	629
Data collection.....	198
Data processing.....	173
Total obligations.....	1,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....			715
Positions other than permanent.....			135
Other personnel compensation.....			3
Total personnel compensation.....			853
12 Personnel benefits.....			62
21 Travel and transportation of persons.....			17
22 Transportation of things.....			1

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....			19
24 Printing and reproduction.....			22
25 Other services.....			2
Services of other agencies.....			1
26 Supplies and materials.....			8
31 Equipment.....			15
Total obligations.....			1,000

Personnel Summary

Total number of permanent positions.....			115
Full-time equivalent of other positions.....			23
Average number of all employees.....			138
Number of employees at end of year.....			170
Average GS grade.....			6.9
Average GS salary.....			\$6,210
Average salary of ungraded positions.....			\$5,430

[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, \$1,125,000, to remain available until December 31, 1961.] (5 U.S.C. 1082, 13 U.S.C. 22, 23, 24 as amended by Public Law 86-769; 131, 193, 195; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Census of business.....	2,770	1,172	
2. Census of manufactures.....	1,639	621	
3. Census of mineral industries.....	306	198	
4. General administration.....	538	225	
Total operating costs.....	5,253	2,216	
5. Unfunded adjustment to total operating costs: Depreciation included above (-).....	-200	-3	
Total operating costs, funded.....	5,053	2,213	
Capital outlay:			
6. Electronic equipment.....	78		
7. Electronic magnetic tape.....	61		
8. Machinery and equipment.....	25	3	
Total capital outlay.....	164	3	
Total program costs, funded.....	5,217	2,216	
9. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-74	-26	
Total obligations.....	5,143	2,190	
Financing:			
Unobligated balance brought forward.....	-262	-944	
Unobligated balance carried forward.....	944		
New obligational authority.....	5,825	1,246	

BUREAU OF THE CENSUS—Continued

Current authorizations—Continued

[1958 CENSUSES OF BUSINESS, MANUFACTURES, AND MINERAL INDUSTRIES]—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	6,000	1,125	
Transferred to "Salaries and expenses," Business and Defense Services Administration (73 Stat. 440).....	-175		
Appropriation (adjusted).....	5,825	1,125	
Proposed supplemental due to pay increases.....		121	

The completion of the processing of summary and analytical tabulations, table review, disclosure analysis, error corrections, and printing of the final volumes will be accomplished in fiscal year 1961.

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Data collection.....	420		
Data processing.....	4,611	1,919	
Publication.....	112	271	
Total obligations.....	5,143	2,190	

9. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	84	26		
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-449	-466	-466	
Total selected resources at end of year.....	-365	-440	-466	
Selected resources at start of year (—).....		-365	-440	-466
Adjustment of selected resources reported at start of year.....		1		466
Costs financed from obligations of other years, net (—).....		-74	-26	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	935	885	
Positions other than permanent.....	2,324	700	
Other personnel compensation.....	396	4	
Add excess of annual leave earned over leave taken.....	17		
Total personnel compensation.....	3,672	1,589	
12 Personnel benefits.....	205	111	
21 Travel and transportation of persons.....	145	42	
22 Transportation of things.....	63	15	
23 Rent, communications, and utilities.....	260	79	
24 Printing and reproduction.....	144	230	
25 Other services.....	224	76	
Services of other agencies.....	114	5	
26 Supplies and materials.....	226	66	
31 Equipment.....	164	3	
Total program costs.....	5,217	2,216	
Costs financed from obligations of other years, net (—).....	-74	-26	
Total obligations.....	5,143	2,190	

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	161	142	
Full-time equivalent of other positions.....	547	132	
Average number of all employees.....	708	274	
Number of all employees at end of year.....	358	109	
Average GS grade.....	6.8	6.9	
Average GS salary.....	\$5,765	\$6,218	
Average salary of ungraded positions.....	\$5,380	\$5,430	

CENSUS OF GOVERNMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Census of governments.....	50		
Capital outlay:			
2. Machinery and equipment.....	11		
Total program costs.....	61		
3. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	-61		
Total obligations.....			
Financing:			
New obligational authority (appropriation).....			

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	51			
Accrued annual leave (leave earned and not taken by employees, charged to activity costs).....	-7			
Total selected resources at end of year.....	44			
Selected resources at start of year (—).....		-44		
Adjustment of selected resources reported at start of year.....		-17		
Costs financed from obligations of other years, net (—).....		-61		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	43		
25 Other services.....	4		
26 Supplies and materials.....	2		
31 Equipment.....	12		
Total costs.....	61		
Costs financed from obligations of other years, net (—).....	-61		
Total obligations.....			

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Special statistical studies for—			
Department of Agriculture.....	75	25	25
Air Force.....	107	30	30
Army.....	97	100	100
Department of Commerce.....	407	300	300
Department of Defense.....	412	250	250
Federal Aviation Agency.....	12	30	
Department of Health, Education, and Welfare.....	898	1,050	1,050
Department of the Interior.....	17	150	150
Department of Labor.....	958	970	970
National Aeronautics and Space Ad- ministration.....	36		
National Science Foundation.....	74	135	100
Office of Civil and Defense Mobili- zation.....	14	25	25
Outdoor Recreation Resources Review Commission.....	11	270	47
Small Business Administration.....	81		
Treasury Department.....	161	145	150
Veterans Administration.....	27		
Miscellaneous services to other agencies.....	239	345	858
Miscellaneous services to non-Federal agencies.....	409	240	100
2. General administration.....	333	335	345
Total operating costs.....	4,368	4,400	4,500
3. Unfunded adjustment to total operating costs: Depreciation included above (—).....	—25		
Total operating costs, funded.....	4,343	4,400	4,500
Capital outlay:			
4. Machinery and equipment.....	25		
Total program costs, funded.....	4,368	4,400	4,500
5. Relation of costs to obligations: Ob- ligations incurred for costs of other years, net.....	79		
Total obligations.....	4,447	4,400	4,500
Financing:			
Advances and reimbursements from—			
Other accounts.....	3,996	4,063	4,380
Non-Federal sources (13 U.S.C. 8 (d)).....	474	337	120
Unobligated balance lapsing.....	—23		
Total financing.....	4,447	4,400	4,500

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$106 thousand; 1959 (adjusted), \$83 thousand; 1960, \$162 thousand; 1961, \$162 thousand; 1962, \$162 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,605	2,610	2,732
Positions other than permanent.....	400	395	363
Other personnel compensation.....	150	145	135
Total personnel compensation.....	3,155	3,150	3,230
12 Personnel benefits.....	166	185	192
21 Travel and transportation of persons.....	389	390	390
22 Transportation of things.....	11	11	11

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	154	165	165
24 Printing and reproduction.....	107	135	140
25 Other services.....	70	82	80
Services of other agencies.....	159	160	160
26 Supplies and materials.....	94	120	130
31 Equipment.....	63	2	2
Total costs.....	4,368	4,400	4,500
Obligations incurred for costs of other years, net.....	79		
Total obligations.....	4,447	4,400	4,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	486	486	511
Full-time equivalent of other positions.....	108	99	90
Average number of all employees.....	594	550	566
Number of employees at end of year.....	550	550	566
Average GS grade.....	6.8	6.9	6.9
Average GS salary.....	\$5,765	\$6,218	\$6,210
Average salary of ungraded positions.....	\$5,380	\$5,430	\$5,430

COAST AND GEODETIC SURVEY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary to carry out the provisions of the Act of August 6, 1947, as amended (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 or magnetic 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; [\$17,400,000] \$18,555,000, of which [\$759,000] \$809,000 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: *Provided further*, That the property known as the Fleet Landing Site at foot of York Street, Norfolk, Virginia, may be transferred, without reimbursement, from the Department of Defense to the Department of Commerce.

[For an additional amount for "Salaries and expenses", \$90,000: *Provided*, That appropriations granted under this head for the fiscal year 1961, shall be available for additional duty compensation to members of crews of vessels and to employees of other agencies as authorized by section 1 of the Act of March 28, 1960 (74 Stat. 11).]

[For an additional amount for "Salaries and expenses", \$24,000.] (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, 1961; Supplemental Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct operating costs:			
1. Surveys and charts for marine and air navigation.....	9,176	11,354	11,751
2. Geodetic control.....	1,995	2,228	2,264
3. Earthquake investigation.....	235	332	385

COAST AND GEODETIC SURVEY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Direct operating costs—Continued			
4. Research and development.....	112	396	498
5. Instrument services.....	285	330	354
6. Retired pay, commissioned officers.....	679	759	809
7. Administration.....	810	904	940
Total direct operating costs.....	13,292	16,303	17,001
Direct capital outlay:			
1. Surveys and charts for marine and air navigation.....	320	1,545	1,360
2. Geodetic control.....	133	188	188
3. Earthquake investigation.....	4	5	23
4. Research and development.....		14	14
5. Instrument services.....	29	25	25
7. Administration.....	7	6	6
Total direct capital outlay.....	493	1,783	1,616
Total direct program costs.....	13,785	18,086	18,617
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—62	—62
Obligations incurred for costs of other years, net.....	266		
Total direct obligations.....	14,051	18,024	18,555
Reimbursable costs:			
1. Surveys and charts for marine and air navigation.....	2,016	1,047	1,665
2. Geodetic control.....	2,372	1,720	655
3. Earthquake investigation.....	331	2,173	2,659
5. Instrument services.....	25	11	11
7. Administration.....	318	335	331
Total reimbursable costs.....	5,062	5,286	5,321
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	—25		—10
Obligations incurred for costs of other years, net.....		14	
Total reimbursable obligations.....	5,037	5,300	5,311
Total obligations.....	19,088	23,324	23,866
Financing:			
Advances and reimbursements from —			
Air Force.....	—1,190	—3,069	—2,509
Army.....	—266	—117	—36
Navy.....	—1,146	—408	—254
Atomic Energy Commission.....	—246	—162	—1,195
Department of Commerce.....	—125	—49	—43
National Science Foundation.....	—269	—143	—157
Miscellaneous Federal agencies.....	—616	—373	—1,035
Miscellaneous non-Federal sources.....	—1,170	—979	—82
Proceeds from sale of personal property applied (40 U.S.C. 481(c)).....	—9		
Unobligated balance lapsing.....	33		
New obligational authority.....	14,084	18,024	18,555
New obligational authority:			
Appropriation.....	14,084	17,514	18,555
Proposed supplemental due to pay increases.....		510	

Note.—Reimbursements from non-Federal sources were derived from the sale of special maps and charts and for providing special surveys and related data (33 U.S.C. 883(e)).

The survey publishes aeronautical and nautical navigation charts of the United States, its possessions, 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.

Increases for 1962 are primarily to support an expanded agency role in oceanography, increased requirements for nautical and aeronautical charts, and expansion of the research and development program.

Direct program—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 1961 is anticipated under Proposed for later transmission.

Miscellaneous receipts returned to the Treasury from the sale of charts and related publications were \$801 thousand in 1960 and are estimated to be \$850 thousand during 1961 and \$900 thousand in 1962.

CHARTS AND TABLES PRINTED AND DISTRIBUTED

(In thousands)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Nautical charts:				
Military.....	356	469	600	700
Other.....	677	656	700	750
Total.....	1,033	1,125	1,300	1,450
Standard aeronautical charts:				
Military.....	3,684	3,005	2,900	2,850
Other.....	1,885	2,046	2,300	2,400
Total.....	5,569	5,051	5,200	5,250
Airport, radio facility, etc.:				
Military.....	21,686	23,840	30,000	34,700
Other.....	9,473	11,804	15,000	17,700
Total.....	31,159	35,644	45,000	52,400
Coast pilots, tide and current tables.....	77	86	86	86

2. *Geodetic control.*—Surveys are made in the United States and its possessions to determine the horizontal position (latitude and longitude) and the vertical positions (elevation above mean sea level) of a network of control points which are permanently marked on the ground. These points are spaced so that adequate survey control is available for topographic, geologic, and other types of mapping, and for planning large-scale engineering projects. The positions and descriptions of these points are published and distributed to Federal, State, and local agencies and the general public.

AREA SURVEYED AND MARKED POINTS ESTABLISHED

	1959 actual	1960 actual	1961 estimate	1962 estimate
Triangulation:				
Area (square miles).....	46,650	37,041	38,000	42,000
Marked stations established.....	908	702	860	990
Leveling (Linear miles).....	6,326	4,839	5,500	5,500

3. *Earthquake investigation.*—Earthquakes are located and investigated to determine their severity and to obtain engineering data for the design of earthquake-resistant structures and information concerning ground movements.

The Bureau operates 13 seismograph and 77 strong-motion stations, and collaborates with 15 other institutions; cooperates with 250 domestic and foreign seismograph stations to determine the location of distant earthquakes; and investigates an average of 15 severe earthquakes annually. The seismic sea wave warning

program furnished data for six alerts for earthquakes in the Aleutians, in the Queen Charlotte Islands region, and off the coast of southern Chile.

4. *Research and development.*—This activity includes basic and applied research and development in oceanography, geodesy, geomagnetism, seismology, cartography, photogrammetry, gravimetry, astronautics, and related supporting fields. Research staff will be strengthened under the 1962 program.

5. *Instrument services.*—These include the design and construction, maintenance, storage, and issuance of intricate instruments used in surveying and processing operations.

8. *Relation of costs to obligations.*—The relationship between direct cost and direct obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	498	476	589	592
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	608	981	804	734
Inventory of charts for sale.....	464	625	639	639
Inventory of publications for sale.....	80	75	75	75
Work in process.....	20	42	30	35
Total selected resources at end of year.....	1,670	2,199	2,137	2,075
Selected resources at start of year (—).....	—1,670	—2,199	—2,137	—2,137
Adjustment of selected resources reported at start of year.....		—263		
Costs financed from obligations of other years, net (—).....			—62	—62
Obligations incurred for costs of other years, net.....		266		

Reimbursable program.—The major part of this activity is to provide aeronautical, nautical and airport obstruction (financed prior to 1962 under direct program) charts of the United States and its possessions to user agencies and to perform seismological investigations and geodetic control surveys where required. Reimbursements from non-Federal sources are primarily from the States to carry out geodetic surveys under the Interstate highway program.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$208 thousand; 1959 (adjusted), \$171 thousand; 1960, \$146 thousand; 1961, \$160 thousand; 1962, \$150 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	11,278	12,722	13,281
Positions other than permanent.....	392	268	165
Other personnel compensation.....	347	220	155
Total personnel compensation.....	12,017	13,210	13,601

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct program:			
11 Personnel compensation.....	9,047	11,011	11,483
12 Personnel benefits.....	858	1,055	1,078
13 Benefits for former personnel.....	679	759	809
21 Travel and transportation of persons.....	507	673	639
22 Transportation of things.....	104	95	96
23 Rent, communications, and utilities.....	266	234	220
24 Printing and reproduction.....	86	113	115
25 Other services.....	195	434	470
Repair to vessels.....	139	300	344
26 Supplies and materials.....	1,033	1,329	1,388
Chart paper.....	245	312	369
Repair to vessels.....	75	60	78
31 Equipment:			
Noncapitalized.....	11	21	21
Capitalized.....	493	1,539	1,372
Repair of vessels.....	60	134	148
32 Lands and structures.....		30	
Subtotal.....	13,798	18,099	18,630
Deduct quarters and subsistence charges.....	13	13	13
Total direct costs.....	13,785	18,086	18,617
Costs financed from obligations of other years, net (—).....		—62	—62
Obligations incurred for costs of other years, net.....	266		
Total direct obligations.....	14,051	18,024	18,555
Reimbursable program:			
11 Personnel compensation.....	2,970	2,199	2,118
12 Personnel benefits.....	234	172	186
21 Travel and transportation of persons.....	443	410	374
22 Transportation of things.....	38	15	164
23 Rent, communications, and utilities.....	336	125	107
24 Printing and reproduction.....	7		
25 Other services.....	160	571	1,260
Repair of vessels.....	28		
26 Supplies and materials.....	425	293	286
Chart paper.....	219	218	219
Repair of vessels.....	3		
31 Equipment (noncapitalized).....	199	1,283	607
Total reimbursable costs.....	5,062	5,286	5,321
Costs financed from obligations of other years, net (—).....	—25		—10
Obligations incurred for costs of other years, net.....		14	
Total reimbursable obligations.....	5,037	5,300	5,311
Total obligations.....	19,088	23,324	23,866

Personnel Summary

Total number of permanent positions.....	2,080	2,300	2,357
Full-time equivalent of other positions.....	100	74	51
Average number of all employees.....	2,083	2,214	2,238
Number of employees at end of year.....	2,226	2,334	2,383
Average GS grade.....	7.3	7.2	7.4
Average GS salary.....	\$5,955	\$6,315	\$6,501
Average salary of ungraded positions:			
Crews of vessels.....	\$4,426	\$4,500	\$4,575
Wage board.....	\$6,408	\$6,580	\$6,638

COAST AND GEODETIC SURVEY—Continued**Current authorizations—Continued****CONSTRUCTION OF SURVEYING SHIPS**

For necessary expenses for the design, supervision, construction, equipping, and outfitting of surveying vessels, as authorized by the Act of August 6, 1947 (33 U.S.C. 883i), **[\$4,700,000]** \$7,300,000, to remain available until expended **【**: *Provided*, That the unexpended balance of funds heretofore appropriated for "Construction of a surveying ship" shall be merged with this appropriation **】**. (*Department of Commerce and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Design and supervision.....	11	200	300
2. Construction.....	2,019	966	3,800
3. Equipment and outfitting.....	215	202	475
Total program costs.....	2,245	1,368	4,575
4. Relation of costs to obligation:			
Costs financed from obligations of other years, net (—).....	-2,198		
Obligations incurred for costs of other years, net.....		3,188	2,515
Total obligations.....	47	4,556	7,090
Financing:			
Unobligated balance brought forward.....	-83	-36	-180
Unobligated balance carried forward.....	36	180	390
New obligational authority (appropriation)		4,700	7,300

The Bureau's ship construction program for 1962 provides for the construction, equipping, and outfitting of two surveying ships. One class II will be completed in June 1963; and one class III will be completed in February of 1963.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2,532 thousand; 1959 (adjusted), \$2,530 thousand; 1960, \$332 thousand; 1961, \$3,520 thousand; 1962, \$6,035 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
COAST AND GEODETIC SURVEY			
31 Equipment.....	215	202	475
ALLOCATION TO MARITIME ACTIVITIES			
25 Other services.....	11	200	300
31 Equipment.....	2,019	966	3,800
Total, maritime activities.....	2,030	1,166	4,100
Total costs.....	2,245	1,368	4,575
Costs financed from obligations of other years, net (—).....	-2,198		
Obligations incurred for costs of other years, net.....		3,188	2,515
Total obligations.....	47	4,556	7,090

【CONSTRUCTION AND EQUIPMENT】

【For expenses necessary for construction and equipment of a seismological laboratory, as authorized by the Act of August 6,

1947 (33 U.S.C. 883i), \$340,000, to remain available until expended. **】** (*Department of Commerce and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Design and supervision.....		10	
2. Construction.....		210	
3. Equipment and outfitting.....		80	40
Total program costs—obligations.....		300	40
Financing:			
Unobligated balance brought forward.....			-40
Unobligated balance carried forward.....		40	
New obligational authority (appropriation)		340	

Design, construction, and equipment of a seismological laboratory to be constructed in the State of New Mexico in the vicinity of Albuquerque.

Objection Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....		216	
26 Supplies and materials.....		4	
31 Equipment.....		80	40
Total obligations.....		300	40

CONSTRUCTION AND EQUIPMENT, GEOMAGNETIC STATION**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Design and supervision.....	1		
2. Construction.....	253	141	
3. Equipment and outfitting.....	3		
Total program costs.....	257	141	
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		-130	
Obligations incurred for costs of other years, net.....	110		
Total obligations.....	367	11	
Financing:			
Unobligated balance brought forward.....	-378	-11	
Unobligated balance carried forward.....	11		
New obligational authority (appropriation)			

Except for an outpost seismological station to be constructed in 1961 the new geomagnetic station in Honolulu, Hawaii, was completed and dedicated in June 1960.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$20 thousand; 1960, \$130 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1		
25 Other services.....	252	141	
26 Supplies and materials.....	1		
31 Equipment.....	3		
Total costs.....	257	141	
Costs financed from obligations of other years, net (—).....		—130	
Obligations incurred for costs of other years, net.....	110		
Total obligations.....	367	11	

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Surveys and charts for marine and air navigation.....		84	
5. Instrument services.....		7	
7. Administration.....		1	
Total program costs—obligations.....		92	
Financing:			
New obligational authority (proposed supple- mental appropriation).....		92	

Under existing legislation, 1961.—A supplemental appropriation is anticipated for 1961 for additional funds required for pay increases for lithographic and printing wage-board employees.

BUSINESS AND DEFENSE SERVICES
ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Business and Defense Services Administration, **[\$4,069,000] \$4,700,000.**

For an additional amount for "Salaries and expenses", \$200,000.] (5 U.S.C. 591, 596-7; 15 U.S.C. 171, 175, 1151-7; 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, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Industries and commodities.....	1,980	2,395	2,443
2. Marketing and distribution.....	249	277	356
3. Technical information.....	932	1,109	1,113

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Area development.....	285	429	453
5. Executive direction.....	312	336	335
Total program costs.....	3,758	4,546	4,700
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	25	7	
Total obligations.....	3,783	4,553	4,700
Financing:			
Comparative transfers to other accounts.....	2,281		
Unobligated balance lapsing.....	111		
New obligational authority.....	6,175	4,553	4,700
New obligational authority:			
Appropriation.....	6,000	4,269	4,700
Transferred from "1958 censuses of business, manufactures, and minerals industries, 1960" (73 Stat. 440).....	175		
Appropriation (adjusted).....	6,175	4,269	4,700
Proposed supplemental due to pay increases.....		284	

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; data on production and distribution of commodities in foreign countries are analyzed for use in foreign trade promotion; 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.

2. *Marketing and distribution.*—The office 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.*—This office in cooperation with State development agencies (1) helps communities identify the more promising opportunities for achieving growth and stability; (2) provides technical help for planning and carrying out action programs; and (3) identifies the many sources of assistance available in the local community and from the State and Federal Governments. It also provides staff for the Interdepartmental Committee to Coordinate Federal Urban Area Assistance Programs.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$377 thousand; 1959 (adjusted), \$199 thousand; 1960, \$224 thousand; 1961, \$231 thousand; 1962, \$231 thousand.

**BUSINESS AND DEFENSE SERVICES
ADMINISTRATION—Continued**

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,775	3,584	3,733
Positions other than permanent.....	23	30	26
Other personnel compensation.....	23	14	2
Total personnel compensation.....	2,821	3,628	3,761
12 Personnel benefits.....	186	275	286
21 Travel and transportation of persons.....	59	70	74
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	67	86	95
24 Printing and reproduction.....	214	127	144
25 Other services.....	123	96	61
Services of other agencies.....	239	205	206
26 Supplies and materials.....	34	32	34
31 Equipment.....	38	32	37
Total obligations.....	3,783	4,553	4,700

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	574	620	633
Full-time equivalent of other positions.....	2	3	3
Average number of all employees.....	377	451	469
Number of employees at end of year.....	562	600	615
Average GS grade.....	9.1	9.2	9.2
Average GS salary.....	\$7,849	\$8,352	\$8,360

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Collection and dissemination of basic research (National Science Foundation).....	54		
2. Dissemination of technical information.....	354	575	575
3. Miscellaneous service to other accounts.....	12	10	
Total program costs—obligations.....	420	585	575
Financing:			
Advances and reimbursements from other accounts.....	66	10	
Non-Federal sources (15 U.S.C. 1153; 31 U.S.C. 725s).....	354	575	575
Total financing.....	420	585	575

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	56		
12 Personnel benefits.....	4		
22 Transportation of things.....	5		
24 Printing and reproduction.....	351	575	575
25 Other services.....	1		
Services of other agencies.....	3	10	
Total obligations.....	420	585	575

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number permanent positions.....	10		
Average number of all employees.....	10		
Number of employees at end of year.....	10		
Average GS grade.....	6.1		
Average GS salary.....	\$5,049		

BUREAU OF FOREIGN COMMERCE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Foreign Commerce, including *trade missions, trade centers, and travel centers abroad*; the purchase of commercial and trade reports **[\$2,761,600]** and not to exceed \$18,000 for representation expenses abroad; \$6,560,000.

[For an additional amount for "Salaries and expenses", \$500,000, of which not to exceed \$40,000 may be transferred to the appropriation for "Salaries and expenses", General Administration.] (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, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Promotion of U.S. foreign trade, travel, and investment.....	2,353	3,403	5,510
2. Trade missions.....	549	594	980
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2	20	70
Total obligations.....	2,904	4,017	6,560
Financing:			
Comparative transfers to other accounts.....	-537	-552	
Unobligated balance lapsing.....	20		
New obligational authority.....	2,387	3,465	6,560
New obligational authority:			
Appropriation.....	2,400	3,262	6,560
Transferred to "Salaries and expenses," general administration (64 Stat. 1263).....	-13		
Appropriation (adjusted).....	2,387	3,262	6,560
Proposed supplemental due to pay increases.....		203	

1. *Promotion of U.S. foreign trade, travel, and investment.*—Information and service is provided to U.S. private commercial activities for the purpose of helping to expand U.S. production and employment, to improve the health of the U.S. economy, and U.S. balance of payments in particular. Specialists in foreign trade analyze economic and business conditions of foreign countries, international marketing problems, commercial laws and government regulations affecting business and related fields vital to the expansion of foreign trade. The national export expansion program provides service to U.S. business in locating and utilizing export payments opportunities, and makes available the results of U.S. trade missions and diverse other trade promotion aids.

2. *Trade missions.*—Funds are included herein for the trade missions program which was formerly financed from

the President's Special International Program. These missions promote goodwill for American business abroad and stimulate opportunities for expanding trade.

3. *Relations of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$89 thousand; 1959 (adjusted), \$40 thousand; 1960, \$42 thousand; 1961, \$62 thousand; 1962, \$132 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,121	2,775	3,720
Positions other than permanent.....	3	25	38
Other personnel compensation.....	18	13	-----
Total personnel compensation.....	2,142	2,813	3,758
12 Personnel benefits.....	143	208	282
21 Travel and transportation of persons.....	244	328	601
22 Transportation of things.....	6	18	59
23 Rent, communications, and utilities.....	46	66	180
24 Printing and reproduction.....	155	238	286
25 Other services.....	138	215	1,123
Services of other agencies.....	7	39	115
26 Supplies and materials.....	16	26	45
31 Equipment.....	4	62	106
41 Grants, subsidies, and contributions.....	3	4	5
Total obligations.....	2,904	4,017	6,560

Personnel Summary

Total number of permanent positions.....	303	372	527
Full-time equivalent of other positions.....	-----	3	7
Average number of all employees.....	273	350	489
Number of employees at end of year.....	277	372	527
Average GS grade.....	9.2	8.9	8.8
Average GS salary.....	\$7,681	\$7,886	\$7,669

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), **[\$2,800,000]** \$3,480,000, of which not to exceed **[\$900,000]** \$1,237,000 may be advanced to the Bureau of Customs, Treasury Department, for enforcement of the export control program, and of which not to exceed **[\$75,000]** \$80,400 may be advanced to the appropriation for "Salaries and expenses" under "General administration": *Provided*, That this appropriation shall be effective only upon the enactment into law during the Eighty-sixth Congress of legislation extending the provisions of the Export Control Act of 1949, as amended, relating to export controls. (1950 Reorganization Plan No. 5, sec. 4, 64 Stat. 1263; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Export control (total program costs).....	2,789	2,987	3,480
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-8	-----	-----
Obligations incurred for costs of other years, net.....	-----	3	-----
Total obligations.....	2,781	2,990	3,480
Financing:			
Unobligated balance lapsing.....	19	-----	-----
New obligational authority.....	2,800	2,990	3,480

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	2,800	2,800	3,480
Proposed supplemental due to pay increases.....	-----	190	-----

1. *Export control* protects the domestic economy from excessive drain of scarce commodities, safeguards the national security by regulating exports of strategic commodities, and implements U.S. foreign policy. In the absence of improvement in relations with certain countries, these controls must be continued and, as necessary, extended to other areas to guard against transshipment. The Bureau of Customs is responsible for the policing of shipments at points of export.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$46 thousand; 1959 (adjusted), \$20 thousand; 1960, \$12 thousand; 1961, \$15 thousand; 1962, \$15 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,554	1,657	1,841
Positions other than permanent.....	1	10	-----
Other personnel compensation.....	13	6	-----
Total personnel compensation.....	1,568	1,673	1,841
12 Personnel benefits.....	105	127	139
21 Travel and transportation of persons.....	9	11	15
22 Transportation of things.....	1	3	3
23 Rent, communications, and utilities.....	47	56	65
24 Printing and reproduction.....	53	55	64
25 Other services.....	4	5	6
Services of other agencies.....	981	1,046	1,328
26 Supplies and materials.....	9	11	12
31 Equipment.....	4	3	7
Total obligations.....	2,781	2,990	3,480

Personnel Summary

Total number of permanent positions.....	228	221	250
Full-time equivalent of other positions.....	-----	1	-----
Average number of all employees.....	215	219	246
Number of employees at end of year.....	204	221	250
Average GS grade.....	8.5	8.3	8.2
Average GS salary.....	\$7,224	\$7,598	\$7,460

Proposed for later transmission:

EXPORT CONTROL

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Export control (total costs—obligations).....	-----	195	-----
Financing:			
New obligational authority (proposed supplemental appropriation).....	-----	195	-----

Under existing legislation, 1961.—A supplemental appropriation is anticipated for 1961 to cover increased costs occasioned by extension of controls to Cuba.

OFFICE OF BUSINESS ECONOMICS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of Business Economics, **[\$1,405,500] \$1,600,000.** (5 U.S.C. 591, 596-597; 15 U.S.C. 171, 175; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Preparation of national income and product data.....	442	531	627
2. Analysis of business trends.....	464	482	481
3. Computation of the balance of international payments.....	335	363	361
4. Executive direction.....	131	131	131
Total program costs.....	1,372	1,507	1,600
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	15		
Total obligations.....	1,388	1,507	1,600
Financing:			
Unobligated balance lapsing.....	12		
New obligational authority.....	1,400	1,507	1,600
New obligational authority:			
Appropriation.....	1,400	1,406	1,600
Proposed supplemental due to pay increases.....		102	

Analyses of national economic trends.—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 U.S. balance of international payments is determined and the official statistics of foreign expenditures by the U.S. Government are maintained.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$28 thousand; 1960, \$43 thousand; 1961, \$43 thousand; 1962, \$43 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,098	1,240	1,326
Positions other than permanent.....	16	10	7
Other personnel compensation.....	9	5	
Total personnel compensation.....	1,124	1,255	1,333
12 Personnel benefits.....	77	95	102
21 Travel and transportation of persons.....	7	6	7
23 Rent, communications, and utilities.....	14	14	20
24 Printing and reproduction.....	95	95	96
25 Other services.....	13	8	8
Services of other agencies.....	28	24	24
26 Supplies and materials.....	7	3	3
31 Equipment.....	23	7	7
Total obligations.....	1,388	1,507	1,600

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	180	180	193
Full-time equivalent of other positions.....	2	2	1
Average number of all employees.....	160	170	180
Number of employees at end of year.....	172	175	189
Average GS grade.....	8.4	8.5	8.6
Average GS salary.....	\$6,822	\$7,373	\$7,460

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Potomac River Basin economic projection survey (total program costs).....	17	28	
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-2	-1	
Total obligations.....	15	27	
Financing:			
Unobligated balance brought forward.....	28	27	
Advances and reimbursements from other accounts.....	14		
Unobligated balance carried forward.....	-27		
Total financing.....	15	27	

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3 thousand; 1960, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	10	21	
Positions other than permanent.....	1	4	
Total personnel compensation.....	11	25	
12 Personnel benefits.....	1	2	
25 Other services: Services of other agencies.....	3		
Total obligations.....	15	27	

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3	6	
Average number of all employees.....	2	2	
Number of employees at end of year.....	2	0	
Average GS grade.....	5.7	9.7	
Average GS salary.....	\$4,703	\$8,207	

MARITIME ACTIVITIES

The objective of the maritime activities of the U.S. Government is to promote U.S. foreign commerce and to aid in the national defense. The budget program includes funds for operating and construction subsidies

to compensate for differences between foreign and domestic costs, research and development with respect to ship designs and operations, maintenance of a reserve fleet and shipyard capacity, training of cadets to become licensed merchant marine officers, and regulation of the shipping industry. Through public enterprise funds a capability to provide emergency shipping is maintained, vessel mortgages and construction loans guaranteed, and binders for war-risk insurance provided.

Total expenditures to carry out this program in 1962 are estimated at \$339 million, of which \$182 million is required to meet obligations arising under operating subsidy contracts. These contracts, now covering operations conducted by 15 companies, represent a long-term obligation of the Government. In addition to the maximum of 1,988 voyages now under contract, authorization has been enacted to permit the Board to contract for a maximum of 412 voyages. It is estimated that conduct of the total authorized program would require subsidy support for the operation and eventual replacement of 422 ships. Over the typical 20-year contract period each authorized voyage, including a pro rata construction subsidy, is estimated to create a cumulative cost of \$2.6 million. The long-term obligation of the Government for support of operations now under contract until ex-

piration of these agreements is estimated to approximate \$4 billion. The foregoing estimates are based on existing legislation, current operating and construction costs, and current conditions in the shipping industry.

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); and 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 \$5,900,000) for research, development, and design expenses incident to new and advanced ship design, machinery, and equipment; \$126,200,000] \$98,000,000, 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 [\$2,900,000] \$3,150,000) 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. (74 Stat. 95; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$7 million for activities transferred in the estimates to "Research and development." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	Costs			Analysis of 1962 financing		
	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and net unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962
Program by activities:						
1. Construction-differential subsidy.....	77,853	102,363	115,000	248,880	218,880	85,000
2. Acquisition of replaced ships.....	5,326	21,297	11,850	3,730	2,380	10,500
3. Nuclear ship construction and design.....	7,269	1,652				
4. Administrative expenses.....	1,981	2,600	3,150	779	129	2,500
5. Construction of prototype ship.....	1,069	88				
6. Acquisition of tankers.....	22					
Total program costs ¹	93,520	128,000	130,000	253,389	221,389	98,000
7. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—).....			—23,000			
Obligations incurred for costs of other years, net.....	9,433	87,700				
Total obligations	102,953	215,700	107,000			
Financing:						
Comparative transfers to other accounts.....	6,088	7,533				
Unobligated balance brought forward.....	—95,183	—116,392	—19,359			
Unobligated balance transferred to "Research and development" (annual appropriation act).....			1,250			
Unobligated balance carried forward.....	116,392	19,359	9,109			
New obligational authority (appropriation)	130,250	126,200	98,000			

¹ Includes capital outlay costs as follows: 1960, \$13,454 thousand; 1961, \$22,450 thousand; 1962, \$11,350 thousand.

The 1962 estimate provides for—
 1. *Construction-differential subsidy* and national defense allowances for construction of 14 vessels under the ship replacement program. Over the 3-year period the average construction-differential subsidy for each of the 58 ships for which contracts have been placed or are planned are

estimated at \$6 million. National defense features are estimated to require \$100 thousand per ship.
 2. *Acquisition costs* for an estimated 14 vessels being replaced.
 3, 5, and 6.—The 1960 and 1961 costs are anticipated to complete these projects.

MARITIME ACTIVITIES—Continued

Current authorizations—Continued

SHIP CONSTRUCTION—Continued

7. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as reflected on the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (obligated balances for goods and services on order not yet received).....	138,146	147,569	235,280	212,280
Advances (payments for goods and services on order not yet received).....	1	11		
Total selected resources at end of year.....	138,147	147,580	235,280	212,280
Selected resources at start of year (—).....		—138,147	—147,580	—235,280
Costs financed from obligations of other years, net (—).....				—23,000
Obligations incurred for costs of other years, net.....		9,433	87,700	

Research and development activities, currently funded under this head, are reflected under a separate appropriation request for 1962.

The following table reflects the annual obligational requirements for programs financed from current funds, together with those requested for 1962 (in thousands of dollars):

	Total funds		Estimated obligations		
	Available in 1961	1962 request	1961	1962	Subsequent
1. Construction-differential subsidy.....	204,461	85,000	190,861	92,000	6,600
Prior year programs:					
Ship replacement.....	199,780		186,180	10,000	3,600
Conversion of mariners.....	158		158		
Reconditioning vessels.....	4,523		4,523		
1962 request (ship replacement).....		85,000		82,000	3,000
2. Acquisition of replaced ships.....	25,023	10,500	21,293	11,850	2,380
Prior year programs.....	25,023		21,293	2,600	1,130
1962 request.....		10,500		9,250	1,250
3. Nuclear ship construction and design (prior).....	859		859		
4. Administrative expenses.....	3,379	2,500	2,600	3,150	129
Prior year programs.....	3,379		2,600	650	129
1962 request.....		2,500		2,500	
5. Construction of prototype ships (prior).....	87		87		
Total.....	233,809	98,000	215,700	107,000	9,109

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	86	100	100
Services of other agencies.....	2,095	3,100	3,600
31 Equipment.....	6,023	21,700	11,300
41 Grants, subsidies, and contributions.....	94,749	190,800	92,000
Total obligations.....	102,953	215,700	107,000

SHIP CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Ship construction (object class 31).....	448		
Financing:			
Unobligated balance brought forward.....	—6,931	—121	
Unobligated balance transferred to "Maritime training" (62 Stat. 172).....		100	
Unobligated balance carried forward.....	121		
Unobligated balance rescinded (73 Stat. 203).....	6,362		
Unobligated balance lapsing.....		21	
New obligational authority (appropriation)			

A total of \$512,434 thousand was appropriated for this program, which covers all postwar construction activity prior to 1955. During 1960, \$6,362 thousand was returned to the Treasury in accordance with the Department of Commerce and Related Agencies Appropriation Act, 1960. Final costs have been determined and all obligations completely liquidated. As of June 30, 1960, the unexpended balance amounted to \$121 thousand. Subsequent to that date, \$100 thousand was transferred to Maritime training as authorized by Public Law 86-451. The remaining unrequired balance of \$21 thousand will be administratively rescinded and covered into the Treasury.

SUMMARY FISCAL STATUS REPORT—SHIP CONSTRUCTION PROGRAMS PRIOR TO 1955

[In thousands of dollars]

	1960	1961
Cash balance:		
Unexpended balance, beginning of year.....	6,946	121
Expenditures.....	—464	
Transfers (62 Stat. 172).....		—100
Rescinded (73 Stat. 203).....	—6,362	
Lapses.....		—21
Unexpended balance, end of year.....	121	
Unliquidated obligations:		
Unliquidated obligations, beginning of year.....	15	
Adjustment to obligations.....	449	
Expenditures.....	464	
Unliquidated obligations, end of year.....	—464	

OPERATING-DIFFERENTIAL SUBSIDIES (LIQUIDATION OF CONTRACT AUTHORIZATION)

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, \$150,000,000 \$182,000,000, 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 four hundred 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, 1959, and seventy-five shall be for companies operating into or out of the

Great Lakes]. (74 Stat. 96; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Passenger and combination services.....	50,273	50,983	52,250
2. Freight services.....	\$105,969	\$110,302	\$120,484
Total costs—obligations.....	156,242	161,285	172,734
3. Recapture of excess profit (—).....	-3,010	-4,285	-5,234
Net costs—obligations (object class 41).....	153,232	157,000	167,500
Financing:			
New obligational authority (contract authorization) (new) (permanent indefinite).....	153,232	157,000	167,500

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	132,911	133,393	140,393
Contract authorization (new) (permanent indefinite).....	153,232	157,000	167,500
Unfunded balance carried forward.....	-133,393	-140,393	-125,893
Appropriation to liquidate contract authorization.....	152,750	150,000	182,000

This appropriation provides for the payment of subsidies to ship operators in order to maintain a U.S. flag merchant marine in support of U.S. foreign commerce and capable of serving as a naval auxiliary in time of war or national emergency. To be eligible for subsidy, an operator must provide regular berth services on an essential trade route, show that Government aid is necessary to place the operation on a parity with its foreign competition, and employ vessels constructed in the United States and manned by U.S. citizens. The operations for which subsidy support is currently provided and for which obligations are estimated to accrue during the budget period are detailed in the following table (dollars in thousands):

	Subsidized operators	Maximum voyages under contract	Voyages undertaken	Estimated obligation
Past years:				
Calendar years 1947-1957.....	—	—	14,579	\$732,976
Calendar year 1958.....	15	1,991	1,744	139,637
January to June 1959.....	15	—	862	76,333
Fiscal year 1960.....	15	1,988	1,732	153,232
Budget estimate, existing contracts, and pending applications:				
Fiscal year 1961.....	18	2,201	1,799	157,000
Fiscal year 1962.....	21	2,400	1,937	167,500

During calendar year 1959 the 15 subsidized operators incurred business expenses totaling \$727.6 million in the operation of 314 ships. The items of expense for which subsidies are paid and amount thereof prior to recapture are detailed in the following table for calendar year 1959 voyages (dollars in millions).

	Wages	Subsistence	Maintenance and repair	Insurance	Total expense: subsidized items
Total expense.....	\$184.4	\$12.1	\$25.6	\$33.2	\$255.3
Subsidy accrual.....	130.7	2.5	8.5	13.2	154.9
Average subsidy rate (percent).....	70.85	20.49	33.35	39.75	60.7
Percent of each item to total.....	84.4	1.6	5.5	8.5	100.0

Passenger and freight services.—During calendar year 1959, 30 passenger or combination passenger/cargo ships and 284 cargo ships were engaged in subsidized voyages over routes detailed in the following table:

	From ports on			
	Atlantic	Gulf	Pacific	Great Lakes
To: Northern Europe.....	47	20	—	—
Mediterranean.....	16	10	—	4
Indian Ocean.....	13	—	—	—
Far East.....	9	15	41	—
Australia and Oceania.....	8	—	6	—
South America.....	29	15	17	—
Africa.....	24	11	—	—
Caribbean.....	8	6	—	6
Round-the-world.....	9	—	—	—

Recapture of excess profits.—All contracts for operating subsidy provide that 50% of the net profits earned from the contractors' subsidized operations and services incident thereto which over a 10-year period exceed 10% of capital necessarily employed shall be withheld from payments made by the Government. This recapture is effected annually based upon the cumulative profits earned since the beginning of the recapture period. The estimate for the current and budget years, shown in the Program and financing schedule, assumes that the past year profit experience before subsidy of each operator will be continued.

Status of unfunded contract authorization.—The computation and approval of final subsidy rates and audit of annual accountings will make it possible to make payments of 100% of subsidy payable on account of operations prior to December 31, 1958. The \$125.9 million unpaid subsidy as of June 30, 1962, represents a normal backlog, consisting largely of amounts withheld pending final rate and audit determinations for operations subsequent to 1958 plus estimated amounts earned in the final 3 months of 1962 for which bills will not be presented or paid during the year.

RESEARCH AND DEVELOPMENT

For expenses necessary for research, development, fabrication, and test operation of experimental facilities and equipment; studies to improve water transportation systems; and supporting services related to nuclear ship operation; \$7,000,000, 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 expenses (not to exceed \$600,000), and any such transfers shall be without regard to the limitation under that appropriation on the amount available for such expenses: Provided further, That the unexpended balances as of June 30, 1961, available for research and development under appropriations heretofore granted under the head "Ship construction" shall be merged with this appropriation.

Note.—Includes \$7 million previously carried under Ship construction. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

MARITIME ACTIVITIES—Continued

Current authorizations—Continued

RESEARCH AND DEVELOPMENT—Continued

Program and Financing (in thousands of dollars)

	Costs			Analysis of 1962 financing		
	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and net unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962
Program by activities:						
1. Transportation systems analyses.....		200	200			200
2. Mechanized ship development.....	2,304	1,900	4,800	4,251	3,651	4,200
3. Advanced ship design and development.....	1,178	2,640	1,000	406	256	850
4. Labor and management problems.....	52	260	300			300
5. Vessel supporting services.....	1,561	1,700	1,100	312	62	850
6. Administrative expenses.....	493	500	600			600
Total program costs ¹	5,588	7,200	8,000	4,969	3,969	7,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	500	333	250			
Total obligations.....	6,088	7,533	8,250			
Financing:						
Comparative transfers from (—) other accounts.....	—6,088	—7,533				
Unobligated balance transferred from "Ship construction" (annual appropriation act).....			—1,250			
New obligational authority (appropriation).....			7,000			

¹ Includes capital outlay costs as follows: 1960, \$961 thousand; 1961, \$1,500 thousand; 1962, \$2,000 thousand.

1. *Transportation systems analyses.*—Conduct of transportation systems analyses to determine appropriate areas for maximum return on development work.

2. *Mechanized ship development.*—Concentrated effort leading to mechanized ship development through engineering studies, detailed design, installation and test of components and integrated automated systems.

3. *Advanced ship design and development.*—Expanded research and development in the area of advanced ship design, including methods by which capital costs for conventional ships may be reduced, investigation of advanced concepts such as the ground effects principle, and development of improved nuclear ships.

4. *Labor and management problems.*—Studies of labor and management problems arising from increased mechanization of ship operations and cargo handling.

5. *Vessel supporting services.*—Servicing and maintaining the NS *Savannah*, and for development and conduct of supporting functions related to operation of the NS *Savannah*.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	2,870	3,385	3,719	3,969
Advances (payments for goods and services on order not yet received).....	16	1		
Total selected resources at end of year.....	2,886	3,386	3,719	3,969
Selected resources at start of year (—).....		—2,886	—3,386	—3,719
Obligations incurred for costs of other years, net....		500	333	250

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
MARITIME ACTIVITIES			
25 Other services.....	406	3,833	4,300
Services of other agencies.....	804	900	950
31 Equipment.....	3,102	2,500	3,000
Total, maritime activities.....	4,312	7,233	8,250
ALLOCATION TO ATOMIC ENERGY COMMISSION			
25 Other services.....	1,776	300	
Total obligations.....	6,088	7,533	8,250

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, [\$14,500,000] \$15,600,000, 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, and not to exceed \$1,250 for representation allowances, [\$8,045,000] \$9,300,000;

Maintenance of shipyard facilities and operation of warehouses, [\$1,253,000] \$1,000,000;

Reserve fleet expenses, [\$5,202,000] \$5,300,000. (74 Stat. 96; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Administrative expenses.....	7,609	8,581	9,268
2. Maintenance of shipyard facilities.....	662	387	336
3. Operation of warehouses.....	760	895	661
4. Reserve fleet expenses.....	4,873	5,495	5,263
Total operating costs.....	13,903	15,358	15,529

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
5. Unfunded adjustment to total operating costs: Property transferred in without charge, net (—)	—113		
Total operating costs, funded	13,790	15,358	15,529
Capital outlay	36	41	130
Total program costs, funded	13,826	15,399	15,658
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—251	—58
Obligations incurred for costs of other years, net	143		
Total obligations	13,970	15,148	15,600
Financing:			
Unobligated balance lapsing	45		
New obligational authority	14,014	15,148	15,600
New obligational authority:			
Appropriation	14,014	14,500	15,600
Proposed supplemental due to pay increases		648	

1. *Administrative expenses.*—Expenses of administering most of the functions of the Federal Maritime Board and Maritime Administration are charged to this activity. Administrative expenses in connection with maritime training, general agency ship operation, new ship construction, and research and development are provided in other funds and are shown on a consolidated basis in the schedule for Advances and reimbursements. Resources for regulation of the shipping industry and for administration of subsidy contracts will be augmented in 1962.

2. *Maintenance of shipyard facilities.*—Two Government-owned reserve shipyards are maintained in a partial state of readiness for defense purposes.

3. *Operation of warehouses.*—Five warehouses store materials and equipment for vessel operations, repair and outfitting of reserve fleet ships, and reserve shipyards.

4. *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, except for cathodic bottom preservation, has been discontinued on approximately 1,000 ships which are considered obsolete for mobilization purposes and are scheduled for scrapping.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by activities)	1,181	1,069	782	711
Unpaid undelivered orders (appropriation balances for goods and services on order not yet received)	349	441	478	490
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	—2,481	—2,404	—2,404	—2,404
Total selected resources at end of year	—951	—894	—1,144	—1,203
Selected resources at start of year (—)		—951	—894	—1,144
Adjustment of selected resources reported at start of year		86		
Costs financed from obligations of other years, net (—)			—251	—58
Obligations incurred for costs of other years, net		143		

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	11,305	12,214	12,583
Positions other than permanent	1	5	5
Other personnel compensation	171	118	64
Total personnel compensation	11,477	12,337	12,653
12 Personnel benefits:			
Travel and transportation of persons	784	964	986
Transportation of things	122	135	153
Rent, communications, and utilities	51	36	41
Printing and reproduction	407	431	437
Other services	41	55	62
Services of other agencies	202	266	317
Supplies and materials	68	126	88
Equipment	730	757	733
Lands and structures	71	41	130
	17		
Total obligations	13,970	15,148	15,600

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	2,137	2,031	2,068
Full-time equivalent of other positions		1	1
Average number of all employees	1,807	1,798	1,825
Number of employees at end of year	1,998	2,031	2,054
Average GS grade	8.3	8.7	8.7
Average GS salary	\$6,979	\$7,775	\$7,733
Average salary, grades established by act of Aug. 1, 1947, Public Law 80-313 (61 Stat. 715), as amended	\$16,500	\$17,500	\$17,500
Average salary of ungraded positions	\$5,094	\$5,314	\$5,349

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); not to exceed \$2,500 for contingencies for the Superintendent, United States Merchant Marine Academy, to be expended in his discretion; purchase of [four] two passenger motor vehicles for replacement only; and uniform and textbook allowances for cadet midshipmen, at an average yearly cost of not to exceed \$300 per cadet; [\$3,195,000] \$3,218,000: *Provided, [That] That, except as herein provided for uniform and textbook [allowances] allowances, this appropriation shall not be used for compensation or allowances for cadets [; Provided, That not to exceed \$100,000 of the unobligated balance of the appropriation "Ship construction (liquidation of contract authorization) maritime activities," may be transferred to this appropriation for the purpose of providing furnishings and equipment for the Memorial Chapel at Kings Point, New York (62 Stat. 172)]. (74 Stat. 96; Department of Commerce and Related Agencies Appropriation Act, 1961.)*

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Merchant marine cadet training	2,881	2,904	2,917
2. Cadet training office	41	46	46
Total operating costs	2,922	2,950	2,963
3. Unfunded adjustment to total operating costs: Property transferred in (—) without charge, net	—41		
Total operating costs, funded	2,881	2,950	2,963
Capital outlay: Merchant marine cadet training	188	361	256
Total program costs, funded	3,069	3,311	3,218

MARITIME ACTIVITIES—Continued

Current authorizations—Continued

MARITIME TRAINING—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	-177		
Obligations incurred for costs of other years, net		5	
Total obligations	2,892	3,316	3,218
Financing:			
Unobligated balance transferred from "Ship construction (liquidation of contract authorization)" (74 Stat. 96)		-100	
Unobligated balance lapsing	8		
New obligational authority	2,900	3,216	3,218
New obligational authority:			
Appropriation	2,900	3,195	3,218
Proposed supplemental due to pay increases		21	

This program provides for the training of officers for service in the maritime industry.

1. *Merchant marine cadet training.*—By enactment of Public Law 84-415, the Merchant Marine Academy at Kings Point, N.Y., was established as a permanent institution. 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 the 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 the State marine schools.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by activities)	301	95	95	95
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	84	106	111	111
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	-283	-278	-278	-278
Total selected resources at end of year	101	-77	-72	-72
Selected resources at start of year (—)		-101	77	72
Adjustment of selected resources reported at start of year		1		
Costs financed from obligations of other years, net (—)		-177		
Obligations incurred for costs of other years, net			5	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	1,314	1,383	1,393
Positions other than permanent	3	11	4
Other personnel compensation	13	25	24
Total personnel compensation	1,330	1,419	1,421
12 Personnel benefits	410	432	432
21 Travel and transportation of persons	24	37	32
22 Transportation of things	6	6	6
23 Rent, communications, and utilities	66	67	67
24 Printing and reproduction	2	9	9
25 Other services	557	641	641
Services of other agencies	37	36	46
26 Supplies and materials	375	308	308
31 Equipment	82	361	256
32 Lands and structures	3		
Total obligations	2,892	3,316	3,218

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	267	271	271
Full-time equivalent of other positions		1	1
Average number of all employees	261	262	262
Number of employees at end of year	262	271	271
Average GS grade	5.6	5.8	5.8
Average GS salary	\$5,222	\$5,606	\$5,606
Average salary, grades established by sec. 216, Merchant Marine Act, 1936, as amended (46 U.S.C. 1126)	\$5,022	\$5,185	\$5,229
Average salary of ungraded positions	\$4,825	\$5,271	\$5,271

STATE MARINE SCHOOLS

For financial assistance to State marine schools and the students thereof as authorized by the Maritime Academy Act of 1958 (72 Stat. 622-624), \$1,270,000, of which \$250,000 is for maintenance and repair of vessels loaned by the United States for use in connection with such State marine schools, and \$1,020,000, to remain available until expended, 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. (74 Stat. 96; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants for State marine schools	300	300	300
2. Uniforms, textbooks, and subsistence of cadets	635	720	720
3. Maintenance and repair of vessels	289	334	300
Total program costs	1,224	1,354	1,320
4. Unfunded adjustment to program costs:			
Property transferred in (—) without charge, net	-86	-50	-50
Total program costs, funded	1,138	1,304	1,270
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		-34	
Obligations incurred for costs of other years, net	1,516		
Total obligations	2,654	1,270	1,270
Financing:			
New obligational authority	2,654	1,270	1,270

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	165	250	250
Contract authorization (72 Stat. 622) (new) (permanent indefinite).....	2,489	1,020	1,020
Status of Unfunded Contract Authorization (in thousands of dollars)			
Unfunded balance brought forward.....		1,529	1,529
Contract authorization (new) (permanent indefinite).....	2,489	1,020	1,020
Unfunded balance carried forward.....	-1,529	-1,529	-1,529
Appropriation to liquidate contract authorization.....	960	1,020	1,020

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 thousand, 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.

The Maritime Academy Act of 1958 (72 Stat. 622) authorizes the Secretary of Commerce to enter into agreements with States to provide grants and allowances over the 3- or 4-year course. While the act provides contract authority without limit as to amount or year, the estimated new obligational authority is based on an anticipated average enrollment of 1,200 students. Maintenance and repair of training vessels will continue to be accomplished through annual appropriations.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$51 thousand; 1959 (adjusted), \$47 thousand; 1960, \$1,563 thousand; 1961, \$1,529 thousand; 1962, \$1,529 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
26 Other services.....	165	250	250
41 Grants, subsidies, and contributions.....	2,489	1,020	1,020
Total obligations.....	2,654	1,270	1,270

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 slophest 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, slophest items, and bunkers over and above such minimums shall be removed from the vessel by the charterer at his own expense.

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. (74 Stat. 97; *Department of Commerce and Related Agencies Appropriation Act, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedule of the parent appropriations as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Commodity Credit Corporation fund," Department of Agriculture.
 "Construction of surveying ships," Coast and Geodetic Survey.
 "Plant acquisition and construction," Atomic Energy Commission.
 "Operating expenses," Atomic Energy Commission.
 "Mutual security—economic," funds appropriated to the President.
 "Salaries and expenses," Office of Civil and Defense Mobilization.

Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FUND
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loans to mortgagors (capital outlay).....	130	825	580
Payment of liability to general fund.....			2,658
Operating costs:			
Interest to Treasury.....	54	54	54
Other operating costs.....	98	6	
Total operating costs.....	152	60	54
Unfunded adjustment to total operating costs: Adjustment for costs of prior years (—).....	—9		
Total operating costs, funded.....	143	60	54
Total program costs, funded.....	274	885	634
Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1	—6	
Total obligations.....	273	879	3,292
Financing:			
Amounts becoming available:			
Revenue and receipts (premiums, fees, and interest).....	2,082	2,838	3,468
Adjustment of prior year revenue.....	100		
Proceeds from sale of vessels.....		800	240
Total amounts becoming available.....	2,182	3,638	3,708
Unobligated balance brought forward.....	717	2,626	5,385
Total amounts available.....	2,899	6,264	9,093
Unobligated balance lapsing (repayment of borrowings from Treasury).....			—1,400
Unobligated balance carried forward.....	—2,626	—5,385	—4,401
Financing applied to program.....	273	879	3,292

Under title XI, Merchant Marine Act, 1936, as amended, the Maritime Administration received authority to insure construction loans and mortgages, with aggregate outstanding balances of up to \$1 billion, on certain types of cargo and passenger-carrying vessels and other watercraft. Pursuant to Public Law 84-1024 (70 Stat. 1119), the Fish and Wildlife Act of 1956 (16 U.S.C. 742e), authority to insure mortgages on fishing vessels, with amount of loans outstanding at any one time limited to \$10 million, has been transferred to the Department of the Interior.

Budget program.—In 1960 two transactions were effected in connection with the SS *Leilani*, custody of which had been assumed in 1959 as a result of foreclosure proceed-

MARITIME ACTIVITIES—Continued**Public enterprise funds—Continued****FEDERAL SHIP MORTGAGE INSURANCE FUND—Continued**

ings, incident to which a loss of \$0.7 million had been written off: (a) a cash payment of \$100 thousand was received from the mortgagee in settlement of the account; (b) the vessel was sold for \$3.2 million, with a down payment of \$0.8 million and balance payable in annual installments of \$240 thousand over a 10-year period. A further loss of \$1.2 million was incurred incident to this sale, this being the difference between the book value, at time of sale, of \$4,374 thousand and the sale price of \$3,200 thousand.

Operating results and financial condition.—As of June 1960, balances outstanding plus commitments for additional ship mortgages total \$449 million. The outstanding balances for loans and mortgages at the end of 1961 and 1962 are projected at \$668.5 and \$707.4 million, respectively.

During 1960 two advances totaling \$130 thousand were made to a mortgagor, with depleted working capital, to meet mortgage installments. It is estimated that during 1961 and 1962 additional advances will be made to mortgagors in the amounts of \$825 thousand and \$580 thousand, respectively. As reflected in these estimates, by June 30, 1962, a total of \$1.5 million will have been advanced to seven mortgagors.

In the event of new mortgage defaults the fund is authorized to borrow from the Treasury. Earnings, resulting from premium and interest receipts, are retained to meet possible additional requirements for advances to mortgagors. During 1962 it is anticipated that the cash position of the fund will permit liquidation of its \$2,658 thousand liability to the general fund and to repay its \$1.4 million loan from Treasury.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Materials and supplies.....	1	5	5	5
Unpaid undelivered orders.....	7	6	--	--
Total selected resources.....	8	11	5	5
Selected resources at start of year.....	--	-8	-11	-5
Adjustment of selected resources at start of year.....	--	-4	--	--
Costs financed from obligations of other years, net (-)	--	-1	-6	--

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loans to mortgagors.....	130	825	580
Payment of liability to general fund.....	--	--	2,658
Expense.....	143	60	54
Increase in selected working capital.....	124	--	--
Total gross expenditures.....	397	885	3,292
Receipts from operations (funds provided):			
Revenue.....	2,082	2,838	3,468
Proceeds from sale of fixed assets.....	--	800	240
Adjustment of prior year revenue.....	100	--	--
Decrease in selected working capital.....	--	65	3
Total receipts from operations.....	2,182	3,703	3,711
Budget expenditures.....	-1,785	-2,818	-419

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	2,082	2,838	3,468
Expense.....	152	60	54
Net operating income.....	1,930	2,778	3,414
Nonoperating loss (-):			
Proceeds from sale of fixed assets:			
Cash proceeds.....	--	800	240
Note receivable.....	--	2,400	-240
Book value of assets sold.....	--	-4,374	--
Net nonoperating loss (-).....	--	-1,174	--
Net income for the year.....	1,930	1,604	3,414
Retained earnings, beginning of year.....	994	3,033	4,637
Adjustment of prior year transactions:			
Affecting working capital.....	100	--	--
Not affecting working capital.....	9	--	--
Retained earnings, end of year.....	3,033	4,637	8,051

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	2,534	5,353	4,372
Accounts receivable, net.....	106	32	29
Loans receivable, net.....	130	3,355	3,695
Materials and supplies.....	5	5	5
Equipment (vessels).....	7,824	3,450	3,450
Total assets.....	10,600	12,195	11,551
Liabilities:			
Current.....	9	--	--
Liability for advance from "Vessel operations revolving fund".....	3,500	3,500	3,500
Liability to general fund.....	2,658	2,658	--
Total liabilities.....	6,167	6,158	3,500
Government investment:			
Interest-bearing capital:			
Start of year.....	1,400	1,400	1,400
Borrowings from Treasury during year, net.....	--	--	-1,400
End of year.....	1,400	1,400	--
Retained earnings.....	3,033	4,637	8,051
Total Government investment.....	4,433	6,037	8,051

Note.—Contingent liability for insured mortgages and loans not included above is estimated to be as follows: 1959, \$257,118 thousand (composed of \$190,808 thousand loan guarantee authority and \$66,310 thousand commitments outstanding); 1960, \$448,990 thousand (composed of \$313,932 thousand loan guarantee authority, and \$135,058 thousand commitments outstanding); 1961, \$668,554 thousand; 1962, \$707,410 thousand.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balances: Cash with Treasury..	749	2,534	5,353	4,372
Obligated balance, net:				
Current liabilities.....	28	9	--	--
Unpaid undelivered orders.....	7	6	--	--
Accounts receivable, net (-).....	-3	-106	-32	-29
Total obligated balance.....	32	-92	-32	-29
Unobligated balance.....	717	2,626	5,385	4,401

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
25 Other services.....	89		
33 Investments and loans.....	130	825	580
42 Insurance claims and indemnities.....			2,658
43 Interest and dividends.....	54	54	54
Total obligations.....	273	879	3,292

VESSEL OPERATIONS REVOLVING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Vessel operations: Expense:			
Terminated voyage.....	3,460	3,116	2,737
Vessel repair and reactivation.....	67		
Deactivation.....	34	30	
Administrative.....	741		
Miscellaneous.....	333	283	233
Total, vessel operations.....	4,635	3,429	2,970
2. Charter operations: Activation, repair, and deactivation of chartered vessels:			
Administrative expense.....	122		
Other expense.....	358	186	40
Total, charter operations.....	480	186	40
3. Experimental ship operations:			
Nonoperating expense.....	636	1,502	
Operating expense.....		1,740	3,050
Administrative expense.....		46	46
Total, experimental ship operations.....	636	3,288	3,096
Total program costs.....	5,751	6,903	6,106
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-59	-471	
Total obligations.....	5,692	6,432	6,106
Financing:			
Amounts becoming available:			
Vessel operations revenue:			
Terminated voyage revenue.....	3,460	3,116	2,737
Reimbursement for activation and de- activation.....	37	30	
Other.....	537	200	200
Charter operations revenue.....	334	89	88
Experimental ship operations revenue.....	434	1,793	1,150
Total amounts becoming available.....	4,802	5,228	4,175
Unobligated balance brought forward.....	14,158	13,269	12,065
Total amounts available.....	18,961	18,497	16,240
Unobligated balance carried forward.....	13,269	12,065	10,134
Financing applied to program.....	5,692	6,432	6,106

This fund, created in 1951, finances direct operation and charter of cargo vessels for transport of military and national interest cargo. It is also used for the operation of Government-owned experimental vessels (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. Government ships operated under this arrangement have declined from a peak of 538 to 4 on June 30, 1960, and will further decrease to 3 during 1961.

2. *Charter operations*.—As of June 30, 1960, there were three Government-owned vessels under charter to private operators. At the end of 1960, a total of 34 vessels were also on loan without reimbursement to other Government and public agencies.

3. *Experimental ship operations*.—The world's first nuclear-powered cargo/passenger ship, the NS *Savannah* will go into service in 1961 under general agency agreement. During the period covered by these estimates the *Savannah* will be operated jointly by the Atomic Energy Commission and the Maritime Administration, in accordance with the March 9, 1959, interagency agreement. During the experimental period the vessel will carry no revenue-producing cargo. The estimate provides for the cost associated with actual operation and maintenance of the *Savannah* and covers the period extending from startup test and trials into a period of experimental operation through June 30, 1962. Included are crew salaries, subsistence, maintenance and repair of the vessel, insurance, port expense, agents' compensation, procurement of spare parts, etc. Costs for maintaining and operating the nuclear propulsion plant, including associated crew salaries, etc., and procurement of spare parts are reimbursed to the fund from AEC appropriations. The estimate assumes that criticality of the nuclear plant will occur in the fall of 1960 and will be followed by an extended period of tests and trials to be carried out by the builder. The general agent is expected to assume responsibility for experimental operations in calendar year 1961.

The 1962 estimate provides for a full year of operations with the ship making visits to major U.S. and foreign ports as a part of the experimental operating program.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Advances.....	26	22	25	25
Supplies.....	6,022	5,972	5,984	5,984
Prepaid insurance and other deferred charges.....	59	56	60	60
Unpaid undelivered orders.....	542	540	50	50
Total selected resources at end of year.....	6,649	6,590	6,119	6,119
Selected resources at start of year (-).....		-6,649	-6,590	-6,119
Cost financed from obligations of other years, net (-)		-59	-471	

Operating results and financial condition—1. *Vessel operation*.—Rates charged the Military Sea Transportation Service cover full costs arising under general agency agreement for ship operations. During 1960 the fund was charged with a loss of \$463 thousand as a result of the need to maintain a nucleus administrative staff; during 1961 and 1962 the cost of this staff will be absorbed under the Salaries and expenses program. An additional loss of \$254 thousand over the 3-year period is also anticipated to result from payment of claims, inactive vessel expense, and special mobilization training of merchant marine officers.

2. *Charter operations*.—The net loss of \$146 thousand in 1960 is the result of the fund absorbing the cost of \$122 thousand for administrative expenses directly asso-

MARITIME ACTIVITIES—Continued**Public enterprise funds—Continued****VESSEL OPERATIONS REVOLVING FUND—Continued**

ciated with this program, the payment of \$283 thousand authorized by Public Law 85-721 (72 Stat. 710) to reimburse former charters for certain breakout costs and \$75 thousand for deactivation expenses (including purchases of inventories). The estimated net loss of \$97 thousand anticipated in 1961 will result from the payment of \$146 thousand for breakout cost authorized by Public Law 85-721 (72 Stat. 710) and \$40 thousand for deactivation expense (including purchases of inventories). A net income of \$48 thousand is anticipated in 1962 after meeting \$40 thousand in costs for deactivation expense.

3. *Experimental ship operations.*—The full costs of the NS *Savannah* program is charged to the fund; however, costs for maintaining and operating the nuclear propulsion plant, including associated crew salaries, etc., and procurement of spare parts are reimbursed to the fund from AEC. Over the 3-year period revenue totaling \$3,377 thousand represents reimbursement from AEC appropriations; the net difference of \$3,643 thousand represents a loss to the fund inasmuch as no revenue producing cargo will be carried by the vessel during the experimental period.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense:			
Vessel operations.....	4,635	3,429	2,970
Charter operations.....	480	186	40
Experimental ship operations.....	636	3,288	3,096
Increase in selected working capital.....			269
Total gross expenditures.....	5,751	6,903	6,375
Receipts from operations (funds provided):			
Revenue:			
Vessel operations.....	4,034	3,346	2,937
Charter operations.....	334	89	88
Experimental ship operations.....	434	1,793	1,150
Decrease in selected working capital.....	157	336	
Total receipts from operations.....	4,959	5,564	4,175
Budget expenditures.....	792	1,339	2,200

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Vessel operations:			
Revenue.....	4,034	3,346	2,937
Expense.....	4,635	3,429	2,970
Net loss (—), vessel operations.....	—601	—83	—33
Charter operations:			
Revenue.....	334	89	88
Expense.....	480	186	40
Net income or loss (—), charter operations.....	—146	—97	48
Experimental ship operations:			
Revenue.....	434	1,793	1,150
Expense.....	636	3,288	3,096
Net loss (—), experimental ship operations.....	—202	—1,495	—1,946
Net loss (—) for the year.....	—949	—1,675	—1,931
Retained earnings, beginning of year.....	24,308	23,359	21,684
Retained earnings, end of year.....	23,359	21,684	19,753

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	12,183	10,844	8,644
Accounts receivable, net.....	3,124	4,008	3,384
Advances to "Federal ship mortgage insurance fund".....	3,500	3,500	3,500
Advances.....	22	25	25
Supplies.....	5,972	5,984	5,984
Unterminated voyage expense.....	61	178	178
Prepaid expenses and other deferred charges.....	56	60	60
Total assets.....	24,918	24,599	21,775
Liabilities:			
Current.....	1,472	2,687	1,794
Unterminated voyage revenue.....	87	228	228
Total liabilities.....	1,559	2,915	2,022
Government investment:			
Retained earnings.....	23,359	21,684	19,753

Note.—Net contingent liability for claims against the National Shipping Authority not included above is \$799 thousand in 1960.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	12,975	12,183	10,844	8,644
Obligated balance, net:				
Current liabilities.....	1,266	1,472	2,687	1,794
Liability for unexpired voyage revenue.....	299	87	228	228
Unpaid undelivered orders.....	542	540	50	50
Accounts receivable, net (—).....	—3,011	—3,124	—4,008	—3,384
Billings for unexpired voyage expense (—).....	—279	—61	—178	—178
Total obligated balance.....	—1,183	—1,086	—1,221	—1,490
Unobligated balance.....	14,158	13,269	12,065	10,134

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Positions other than permanent.....	1,133	1,408	1,611
Other personnel compensation.....	509	729	1,026
Total personnel compensation.....	1,642	2,137	2,637
22 Transportation of things.....	1	2	2
25 Other services.....	2,210	2,837	1,951
Services of other agencies.....	863	46	46
26 Supplies and materials.....	972	1,385	1,458
31 Equipment.....	10	512	12
Total accrued expenditures.....	5,698	6,919	6,106
Increase or decrease (—) in unpaid undelivered orders and advances.....	—6	—487	
Total obligations.....	5,692	6,432	6,106

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	190	236	270
Number of employees at end of year.....	180	270	270
Average salary of ungraded positions.....	\$5,962	\$5,965	\$5,965

WAR RISK INSURANCE REVOLVING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Underwriting agents fees.....	33	106	4
Appraisal contractor's fees.....	14	22	24
Insurance claims.....		55	
Administrative expense.....		1	1
Total program costs.....	47	184	29
Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-4		
Total obligations.....	43	184	29
Financing:			
Amounts becoming available: Revenue and receipts:			
Fees for the issuance of binders.....	59	284	10
Builders risk insurance premiums.....	536	493	450
Reimbursement for insurance claims.....		55	
Total amount becoming available.....	595	832	460
Unobligated balance brought forward.....	1,058	1,611	2,259
Total amounts available.....	1,654	2,443	2,719
Unobligated balance carried forward.....	-1,611	-2,259	-2,690
Financing applied to program.....	43	184	29

This fund was established to provide war risk insurance in the event that commercial insurance is not available at reasonable terms and conditions during time of war (46 U.S.C. 1281, 1283). Commercial war risk insurance policies are at present subject to an automatic termination clause upon the outbreak of war, the inception of a hostile act, or occurrence which results in a state of war between any member of the North Atlantic Treaty Organization and any of the contracting parties to the Treaty of Friendship Cooperation and Mutual Assistance signed at Warsaw, May 14, 1955, or the Central People's Government of the People's Republic of China.

As of June 30, 1960, interim binders for war risk hull, protection, and indemnity, and second seamen's insurance, which become effective upon the outbreak of war, had been issued covering approximately \$6 billion of insurance. War risk insurance was also in effect on 31 American vessels under construction in shipyards in the United States, covering the prelaunching period, totaling approximately \$110 million of insurance.

Budget program.—At the request of the Secretary of the Navy, second seaman's war risk insurance is provided without premium, as authorized under sections 1205-6 of title XII of the Merchant Marine Act of 1936, on tankers operated for the account of the Military Sea Transportation Service. On June 30, 1960, a total of 20 tankers were covered under this program. All losses on such insurance, paid through this fund, are reimbursed to the fund by the Secretary of the Navy. Expense of the fund therefore consists only of fees paid to underwriting agents, travel expense for marine insurance experts, and for contract appraisal costs.

During 1959, accidents were sustained by three Military Sea Transportation Service vessels, resulting in insurance claims against the fund. The estimate for 1961 provides for payment of the full amount of the remaining pending claims.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4 thousand.

Financing.—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 1961 or 1962. In addition, revenue is provided by insurance premiums and fees paid for the issuance of interim binders and builder's risk insurance.

Operating results.—The Government's investment consists entirely of retained earnings totaling \$1,611 thousand on June 30, 1960. 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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	47	184	29
Increase in selected working capital.....		35	
Total gross expenditures.....	47	219	29
Receipts from operations (funds provided):			
Revenue.....	595	832	460
Decrease in selected working capital.....	23		21
Total receipts from operations.....	618	832	481
Budget expenditures.....	-572	-613	-452

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	595	832	460
Expense.....	47	184	29
Net income for the year.....	548	648	431
Retained earnings, beginning of year.....	1,063	1,611	2,259
Retained earnings, end of year.....	1,611	2,259	2,690

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,575	2,188	2,640
Accounts receivable, net.....	58	89	55
Total assets.....	1,633	2,277	2,695
Liabilities:			
Current.....	22	18	5
Government investment:			
Retained earnings.....	1,611	2,259	2,690

Note.—Contingent liability for insurance, in the event of war only, not included above, is estimated to be as follows:
 War risk insurance binders: 1959, \$6,057,478 thousand; 1960, \$6,113,128 thousand; 1961, \$6,493,128 thousand; 1962, \$6,599,528 thousand.
 Prelaunching war risk insurance: 1959, \$70,876 thousand; 1960, \$110,298 thousand; 1961, \$524,623 thousand; 1962, \$509,432 thousand.

MARITIME ACTIVITIES—Continued**Public enterprise funds—Continued****WAR RISK INSURANCE REVOLVING FUND—Continued****Status of Certain Fund Balances (in thousands of dollars)**

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury...	1,003	1,575	2,188	2,640
Obligated balance, net:				
Current liabilities.....		22	18	5
Unpaid undelivered orders.....	4			
Accounts receivable, net (—).....	—60	—58	—89	—55
Total obligated balance.....	—56	—36	—71	—50
Unobligated balance.....	1,058	1,611	2,259	2,690

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel.....		1	1
25 Other services.....	47	183	28
Total accrued expenditures.....	47	184	29
Decrease (—) in unpaid undelivered orders.....	—4		
Total obligations.....	43	184	29

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administrative expenses:			
Maritime activities:			
Research and development.....			600
Ship construction.....	2,461	3,076	3,150
Vessel operations.....	851	46	46
Atomic Energy Commission.....	35		
Department of Agriculture.....	101	231	231
Department of State.....	11	12	12
Department of Defense.....	34	452	
Department of Commerce.....	6		
Miscellaneous.....	8	8	8
Total, administrative expenses.....	3,505	3,825	4,047
2. Shipyards, warehouses, and reserve training station expenses:			
Maritime activities: Vessel operations.....	4		
Department of Agriculture.....	2	1	1
General Services Administration.....	46	158	153
Miscellaneous services to non-Federal agencies.....	60	96	96
Miscellaneous.....	1		
Total, shipyards, warehouses, and reserve training station expenses.....	113	255	250
3. Reserve fleet expenses:			
Maritime activities: Ship construction.....	114	261	406
Department of Agriculture.....	526	508	508
Department of Defense.....	1,145	1,231	
Miscellaneous.....	6		
Total, reserve fleet expenses.....	1,791	2,000	914
4. Maritime training:			
Maritime activities: Ship construction.....	24	24	
Department of Agriculture.....	12	15	15
Donations from non-Federal sources.....	4	6	5
Total, maritime training.....	41	45	20
Total obligations.....	5,450	6,126	5,231

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	14	198	
Advances and reimbursements from—			
Other accounts.....	5,607	5,823	5,128
Non-Federal sources.....	69	104	103
Unobligated balance carried forward.....	—198		
Unobligated balance lapsing.....	—43		
Total financing.....	5,450	6,126	5,231

Note.—Reimbursements from non-Federal sources include payments for repairs, services, and utilities furnished lessees of Maritime-controlled property (66 Stat. 393), donations to the Merchant Marine Academy at Kings Point, N.Y. (50 U.S.C. 1154), proceeds from turn-in of small equipment (40 U.S.C. 481(c)), provision of statistical services (15 U.S.C. 189(a)), refund of terminal leave payments (5 U.S.C. 2061), and jury fees (5 U.S.C. 30p).

The Maritime Administration will receive in 1962 reimbursements from the Department of Agriculture for storage of grain in reserve fleet vessels and for participation in the surplus dairy products program; Department of State for maintenance of a record of ship characteristics of vessels belonging to NATO nations; Department of Defense for preservation and maintenance in the reserve fleet of surplus merchant-type Navy vessels; the Atomic Energy Commission for its share of the administrative cost of constructing the NS *Savannah*; and the General Services Administration for custody of the Alameda, Calif., reserve training station and reserve shipyard.

Reimbursements are made to the appropriation for Salaries and expenses from other Maritime accounts for administrative and other expenses incurred as a result of activities financed from the Vessel operations revolving fund, and the appropriations for Ship construction and Research and development.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,514	5,006	4,284
Positions other than permanent.....	1		
Other personnel compensation.....	55	32	11
Total personnel compensation.....	4,570	5,038	4,295
12 Personnel benefits.....	291	363	312
21 Travel and transportation of persons.....	127	139	144
22 Transportation of things.....	7	16	14
23 Rent, communications, and utilities.....	132	157	173
24 Printing and reproduction.....	18	13	19
25 Other services.....	46	129	134
Services of other agencies.....	15	12	30
26 Supplies and materials.....	232	250	100
31 Equipment.....	11	8	11
41 Grants, subsidies, and contributions.....	1		
Total obligations.....	5,450	6,126	5,231

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	808	729	515
Average number of all employees.....	725	736	578
Number of employees at end of year.....	648	507	515
Average GS grade.....	8.9	9.1	9.1
Average GS salary.....	\$7,155	\$7,880	\$7,876
Average salary, grades established by sec. 216, Merchant Marine Act, 1936, as amended (46 U.S.C. 1126).....	\$6,810	\$6,810	
Average salary of ungraded positions.....	\$4,799	\$5,082	\$5,259

INLAND WATERWAYS CORPORATION

Public enterprise funds:

INLAND WATERWAYS CORPORATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Liquidation program:			
Administrative expenses.....	1	2	2
Other expenses.....	2	5	5
Total program costs—obligations.....	3	7	7
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Collection of loans.....	628	628	628
Interest on loans.....	251	225	200
Recovery of prior year obligations.....	150		
Total amounts becoming available.....	1,028	853	828
Unobligated balance brought forward.....	6,788	7,814	8,659
Total amounts available.....	7,817	8,666	9,487
Unobligated balance carried forward.....	7,814	8,659	9,480
Financing applied to program.....	3	7	7

The Inland Waterways Corporation, in liquidation, is engaged in the collection of debt and the policing of operations of the successor carrier, Federal Barge Lines, Inc.

Under the repayment schedule, the debt owed by the above carrier will be fully collected by June 30, 1969, and the United States is earning interest at the rate of 4% until June 30, 1964, with the remaining years at 5%.

Budget program.—Administrative costs cover policing and incidental expenses. Reserves are established at the estimated liability for suits against the Corporation.

Operating results.—Net income of \$218 thousand is expected in 1961, as the excess of interest over expenses.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Liquidation program: Expenses.....	3	7	7
Increase in selected working capital.....	150	48	
Total gross expenditures.....	153	55	7
Receipts from operations (funds provided):			
Liquidation program:			
Loan repayments.....	628	628	628
Revenue.....	251	225	200
Adjustment for settled litigation.....	150		
Total receipts from operations.....	1,028	853	828
Budget expenditures.....	-875	-798	-821

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Liquidation program:			
Revenue.....	251	225	200
Expenses.....	3	7	7
Net income for the year.....	248	218	193
Analysis of deficit (—):			
Deficit (—), beginning of year.....	-14,251	-13,853	-13,635
Adjustment for settled litigation.....	150		
Deficit (—), end of year.....	-13,853	-13,635	-13,442

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	7,862	8,659	9,480
Loans receivable, net.....	5,631	5,004	4,376
Total assets.....	13,493	13,663	13,856
Liabilities:			
Current.....	48		
Government investment:			
Non-interest-bearing capital (start and end of year).....	27,298	27,298	27,298
Deficit (—).....	-13,853	-13,635	-13,442
Total Government investment.....	13,445	13,663	13,856

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	6,987	7,862	8,659	9,480
Obligated balance, net: Current liabilities.....	198	48		
Unobligated balance.....	6,788	7,814	8,659	9,480

LIMITATION ON ADMINISTRATIVE EXPENSES, INLAND WATERWAYS CORPORATION

Not to exceed \$2,000 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 Appropriations Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations) (object class 25).....	1	2	2
Financing:			
Unobligated balance lapsing.....	2		
Limitation.....	2	2	2

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; [\$22,567,500] \$24,425,000. (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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Examination and adjudication of patent applications.....	16,624	18,782	19,316
2. Examination and adjudication of trademark applications.....	885	987	989
3. Administration and program services.....	3,997	4,114	4,120
Total program costs.....	21,506	23,883	24,425

PATENT OFFICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	154	-----	-----
Total obligations.....	21,660	23,883	24,425
Financing:			
Unobligated balance lapsing.....	340	-----	-----
New obligational authority.....	22,000	23,883	24,425
New obligational authority:			
Appropriation.....	22,000	22,568	24,425
Proposed supplemental due to pay increases.....	-----	1,315	-----

The Office administers laws governing the granting of patents for invention and the registration of trademarks.

The 1962 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 research and development of electronic devices applicable to the patent search process.

Receipts from fees were \$7.4 million in 1960, and are estimated to be \$7.6 million in 1961, under existing legislation. Legislation is proposed which would increase fees to cover approximately 75% of the cost of Patent Office operations.

1. *Examination and adjudication of patent applications.*—Applications are examined to determine the patentability of claimed inventions; and quasi-judicial functions are performed in appeal or interference proceedings within the Office. Specifications and drawings of successful applications are printed and the issuance of patents is regularly published.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Patents:				
New applications received.....	78,363	79,331	80,000	80,000
Applications disposed of.....	86,436	79,399	87,000	90,000
Patents granted.....	52,482	50,607	52,000	55,000
Applications pending, end of year.....	198,248	195,885	189,000	179,000
Design patents:				
New applications received.....	4,994	4,567	5,000	5,000
Applications disposed of.....	4,849	5,559	6,000	6,000
Design patents granted.....	2,508	2,685	3,000	3,000
Applications pending, end of year.....	7,004	5,937	5,000	4,000

2. *Examination and adjudication of trademark applications.*—Applications are examined to determine the registrability of trademarks; and quasi-judicial functions are performed in appeal or adversary proceedings within the Office. Specifications and drawings of successful applications are printed and the issuance of registrations is regularly published.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Trademark registrations:				
New applications received.....	22,243	23,242	23,500	24,000
Applications disposed of.....	22,028	24,131	24,000	24,000
Trademarks registered.....	17,685	18,989	19,000	19,000
Applications pending, end of year.....	28,146	27,412	27,000	27,000

3. *Administration and program services.*—In addition to program direction and internal management services,

this activity includes conduct of litigation to which the Commissioner is a party, preparation and issuance of patent grants, furnishing copies of records, maintenance of public search room and scientific library facilities, recording instruments conveying ownership of patent and trademark rights, conduct of public information services, and other nonexamining functions relating to the prosecution of applications.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$564 thousand; 1959 (adjusted), \$562 thousand; 1960, \$716 thousand; 1961, \$716 thousand; 1962, \$716 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	15,446	17,605	17,957
Other personnel compensation.....	517	336	238
Total personnel compensation.....	15,963	17,941	18,195
12 Personnel benefits.....			
21 Travel and transportation of persons.....	33	33	33
22 Transportation of things.....	10	10	10
23 Rent, communications, and utilities.....	249	230	315
24 Printing and reproduction.....	3,477	3,743	3,922
25 Other services.....	221	227	227
26 Supplies and materials.....	194	185	185
31 Equipment.....	294	200	200
Total costs.....	21,506	23,883	24,425
Obligations incurred for costs of other years, net.....	154	-----	-----
Total obligations.....	21,660	23,883	24,425

Personnel Summary

Total number of permanent positions.....	2,440	2,440	2,440
Average number of all employees.....	2,240	2,340	2,340
Number of employees at end of year.....	2,308	2,400	2,400
Average GS grade.....	8.1	8.3	8.5
Average GS salary.....	\$6,724	\$7,382	\$7,523

BUREAU OF PUBLIC ROADS

Current authorizations:

LIMITATION ON GENERAL ADMINISTRATIVE EXPENSES

(Trust fund)

Necessary expenses of administration and research (not to exceed **[\$29,591,500] \$33,800,000**), including maintenance of a National Register of Revoked Motor Vehicle Operators' Licenses, as authorized by law (74 Stat. 526), and purchase of [thirty] forty-seven passenger motor vehicles of which thirty shall be for replacement only, 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 title 23, United States Code, section 104(a), \$100,000 shall be available for carrying out the provisions of title 23, United States Code, section 309.

[The limitation under this head in title I of the Department of Commerce and Related Agencies Appropriation Act, 1961, on the amount available for expenses of administration and research, is increased from "\$29,591,500" to "\$29,626,500": *Provided*, That the foregoing limitation shall be available for expenses necessary to establish and maintain a National Register of Revoked Motor Vehicle Operators' Licenses, as authorized by the Act of July 14, 1960 (74 Stat. 526).] (23 U.S.C. 303, 307, 313; Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration and research (total obligations).....	28,767	31,470	33,800
Financing:			
Unobligated balance lapsing.....	733		
Limitation.....	29,500	29,626	33,800
Proposed increase in limitation due to pay increases.....		1,844	

The 1962 estimates for administration and research continue the program authorized for 1961 and provide selected personnel increases in the headquarters and field staff. Highway research is carried out independently by the Bureau of Public Roads as well as in cooperation with the State highway departments. Increases for research will permit greater emphasis on the problems of urban highway development. Funds are also provided for the operation of the national register of revoked motor vehicle operators' licenses. Administrative services for other programs of the Bureau of Public Roads are initially financed from this activity and reimbursements of their pro rata share are collected periodically from the other programs.

Expenses of this activity are met by deductions from Federal-aid authorizations and by reimbursement from other appropriations for highway construction as prescribed by specific limitation.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	20,770	23,724	25,035
Positions other than permanent.....	157	166	163
Other personnel compensation.....	275	202	130
Total personnel compensation.....	21,203	24,092	25,328
12 Personnel benefits.....	1,546	1,955	2,056
21 Travel and transportation of persons.....	1,671	1,971	2,147
22 Transportation of things.....	182	197	226
23 Rent, communications, and utilities.....	1,145	1,432	1,579
24 Printing and reproduction.....	140	203	187
25 Other services.....	1,171	992	1,583
Services of other agencies.....	247	142	142
Supplies and materials.....	333	291	300
Equipment.....	474	195	250
41 Grants, subsidies, and contributions.....	655		
Total obligations.....	28,767	31,470	33,800

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3,076	3,120	3,322
Full-time equivalent of other positions.....	33	28	28
Average number of all employees.....	2,896	3,061	3,155
Number of employees at end of year.....	3,056	3,097	3,285
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

FEDERAL-AID HIGHWAYS (TRUST FUND)

For carrying out the provisions of title 23, United States Code, which are attributable to Federal-aid highways, to remain available

until expended, **[\$2,688,691,500]** \$2,991,000,000, or so much thereof as may be available in and derived from the "Highway trust fund"; which sum is composed of **[\$1,099,308,235.53]** \$1,820,616,736, the balance of the amount authorized for the fiscal year **[1959, and \$1,579,383,264.47]** 1960, and \$1,163,383,264 (or so much thereof as may be available in and derived from the "Highway Trust Fund"), a part of the amount authorized to be appropriated for the fiscal year **[1960, and \$10,000,000]** 1961, \$6,363,325 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 title 23, United States Code, section 125, and \$636,675 for reimbursement of the sums expended for the design and construction of bridges upon and across dams, as provided by title 23, United States Code, section 320. (Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Grants for construction:			
(a) Interstate system.....	1,698,492	2,181,000	2,418,000
(b) Primary system.....	360,001	396,450	390,150
(c) Secondary system.....	321,545	264,300	260,100
(d) Urban highways.....	200,150	220,250	216,750
(e) Disaster assistance.....	2,746	9,846	10,365
(f) Bridges over dams.....		3,849	
(g) Undistributed.....	2,111		
2. Administration and research.....	26,935	28,305	30,635
Total direct obligations.....	2,611,980	3,104,000	3,326,000
Reimbursable obligations:			
1. Grants for construction.....	227	100	100
2. Administration and research:			
Department of Agriculture.....	105	106	82
Department of Defense.....	86	200	177
Department of the Interior.....	600	1,322	1,326
Bureau of Public Roads:			
Forest highways.....	799	1,212	1,345
Public lands highways.....	31	59	69
Miscellaneous accounts.....	107	63	31
Miscellaneous:			
Other Federal agencies.....	34	133	65
Non-Federal sources.....	71	70	70
Total reimbursable obligations.....	2,060	3,265	3,265
Total obligations.....	2,614,040	3,107,265	3,329,265
Financing:			
Unobligated balance brought forward (contract authorization).....	-2,805,112	-3,072,783	-3,052,314
Unobligated balance of prior contract authorization transferred from "Federal-aid highways".....	-250		
Advances and reimbursements from—			
Other accounts.....	-1,762	-3,095	-3,095
Non-Federal sources (23 U.S.C. 308(a-b)).....	-298	-170	-170
Recovery of prior year obligations:			
Additional authorization for primary, secondary, and urban systems.....	-8		
Advance of matching funds for additional authorization.....	-72		
Administration and research.....	-42		
Unobligated balance carried forward (contract authorization).....	3,072,783	3,052,314	2,861,679
Unobligated balance lapsing (contract authorization).....	27,334	20,154	19,635
New obligational authority (contract authorization).....	2,906,613	3,103,685	3,155,000

BUREAU OF PUBLIC ROADS—Continued**Current authorizations—Continued****FEDERAL-AID HIGHWAYS (TRUST FUND)—Continued****Status of Unfunded Contract Authorization (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	7,557,318	7,408,847	7,711,686
Unfunded balance of contract authorization transferred from "Federal-aid highways".....	250		
Contract authorization (new).....	2,906,613	3,103,685	3,155,000
Administrative cancellation of unfunded balance.....	-27,334	-20,154	-19,635
Transferred to "Proposed for later transmission, Federal-aid highways (trust fund)".....		-92,000	
Unfunded balance carried forward.....	-7,408,847	-7,711,686	-7,856,051
Transfer from "Highway trust fund" to liquidate contract authorization.....	3,028,000	2,688,692	2,991,000

Grants are made to States for construction and improvement of Federal-aid highways. Authorizations are provided in the Federal-Aid Highway Act of 1956 to cover 90 percent of the costs of completing the 41,000-mile National System of Interstate and Defense Highways, and to match State funds on a 50-50 basis for the primary, secondary, and urban programs. The Federal share of the cost is increased in those States with large areas of public domain. Payments to the States are made out of transfers from 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.

As a result of additional authorizations provided by the 1958 act and the suspension for 2 years of section 209(g) of the Highway Revenue Act of 1956, estimated revenue available to the Highway trust fund was inadequate to meet demands on the fund beginning in 1960. The Federal-Aid Highway Act of 1959 partially remedied this imbalance in the Highway trust fund by the provision of additional revenue beginning in 1960 and the reduction of interstate authorizations for 1961 from \$2.5 to \$2

billion. The 1959 act increased the tax on motor fuel from 3 to 4 cents per gallon effective October 1, 1959, and continuing through June 30, 1961. In addition the act authorized the diversion from the general fund to the Highway trust fund of one-half of the present excise tax on automobiles and five-eighths of the present tax on parts and accessories beginning July 1, 1961, and extending through June 30, 1964. This additional revenue, however, will not be sufficient to provide for a continuance of the interstate program authorized for subsequent years.

It is proposed that motor fuel taxes be increased to 4½ cents per gallon, effective July 1, 1961, to continue through 1972. Enactment of this proposal will return the interstate program to a schedule of completion consistent with the intent expressed in the 1956 Highway Act of providing a system adequate to handle traffic needs for 1975. The increase in revenue will permit completion of the Interstate System by 1973 under cost estimates to be presented Congress in January 1961, and will permit repeal of the diversion of certain excise taxes to the Highway trust fund for the period July 1, 1961, to June 30, 1964.

As of October 1, 1960, 9,579 miles on the 41,000-mile Interstate System were open to traffic. More than half (4,962 miles) was built or improved under the Federal-aid interstate program, most of it under the 90% Federal, 10% State matching program launched in 1956. Toll roads, bridges, and tunnels incorporated in the system totaled 2,268 miles. In addition to the sections open to traffic 4,575 miles were under construction with interstate funds, and engineering and right-of-way acquisition was in progress on another 9,993 miles. Thus on October 1, 1960, some form of work was underway or completed on 24,147 miles of the 41,000-mile system—about three-fifths of the total system mileage.

Construction projects involving 106,400 miles in the regular Federal-aid program (primary, secondary, and urban) have been completed since July 1, 1956, at a total cost of \$6.55 billion; and contracts involving 24,384 miles at a cost of \$2.68 billion were underway on October 1, 1960. In addition, \$443 million of engineering work and right-of-way acquisition had been completed and \$305 million was underway.

Actual and estimated progress of Federal-aid highway programs are summarized in the following tables (dollars in thousands):

PAYMENTS UNDER CONTRACT AUTHORIZATION

[In thousands of dollars]

Fiscal year:	Contract authorization ¹	Unobligated contract authorization end of year	Federal payments	Projects approved		
				Number	Total cost	Federal share
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	2,914,000
1959.....	3,400,000	2,805,112	2,612,576	11,590	4,656,000	3,479,000
1960.....	2,876,613	3,072,783	2,940,251	9,682	3,668,000	2,580,000
1961.....	3,073,685	3,052,314	2,867,963	8,400	4,185,000	3,062,000
1962.....	3,125,000	2,861,679	2,991,000	8,550	4,422,000	3,285,000

¹ Annual authorizations become available for obligation not later than January 1, in the preceding year and are shown in the year in which they become available. Amounts exclude contract authorizations for disaster assistance.

NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS—STATUS OF PROGRAM AS OF DEC. 1, 1960

[Dollars in thousands]

State	Mileage ¹				Appor- tioned to States	Unpro- gramed balance	Programed only	Projects underway or authorized		Projects completed, ² July 1, 1956, to Dec. 1, 1960	
	Designated miles on system	Total open to traffic	Total underway	Remaining mileage				Construc- tion	Engineer- ing and right-of-way	Federal funds	Total cost
Alabama	873.9	59.5	360.6	453.8	\$226,513	\$54,621	\$36,849	\$78,422	\$23,279	\$37,015	\$42,641
Alaska											
Arizona	1,161.0	507.3	157.8	495.9	143,986	34,458	18,981	35,205	19,158	38,504	41,959
Arkansas	517.7	43.5	458.1	16.1	134,693	30,686	15,372	49,256	27,085	17,375	21,719
California	2,181.9	511.0	1,188.4	482.5	934,873	198,279	5,011	236,414	100,737	412,355	541,784
Colorado	948.0	206.2	197.7	544.1	116,559	29,588	5,528	16,465	3,779	65,863	76,246
Connecticut	297.2	137.3	138.1	21.8	125,617	14,114	5,080	32,263	45,135	32,536	38,522
Delaware	40.5	3.5	27.9	9.1	53,214	24,654	6,468	7,118	13,934	3,312	3,865
Florida	1,120.0	83.0	269.6	767.4	249,696	49,170	6,720	58,272	27,337	113,721	131,044
Georgia	1,110.1	169.4	268.6	672.1	268,826	47,445	69,357	78,271	40,644	40,907	48,594
Hawaii	48.0			48.0	12,375	12,189	186				
Idaho	612.1	90.5	274.5	247.1	94,015	37,558	13,172	17,362	5,599	23,028	25,838
Illinois	1,586.5	408.4	703.2	474.9	560,395	120,674	24,090	174,426	84,258	169,448	206,496
Indiana	1,118.8	202.8	404.0	512.0	304,460	117,764	23,194	86,751	33,029	51,875	59,713
Iowa	708.7	161.7	307.6	239.4	160,522	17,081	6,822	25,098	11,019	107,460	122,436
Kansas	801.1	375.2	119.0	306.9	146,115	40,122	5,548	20,785	8,702	75,536	86,784
Kentucky	696.1	68.5	262.7	364.9	204,683	22,123	31,356	58,136	31,132	68,338	78,650
Louisiana	682.6	36.3	330.1	316.2	250,486	56,671	17,348	73,588	57,913	47,920	54,515
Maine	312.0	75.5	70.4	166.1	72,386	20,786	2,549	18,376	1,783	31,817	36,948
Maryland	353.7	113.1	206.3	34.3	203,771	81,755	16,377	47,877	18,170	43,684	50,605
Massachusetts	462.4	188.4	127.7	146.3	283,609	81,302	13,193	90,425	38,216	62,312	69,909
Michigan	1,077.8	306.7	446.6	324.5	429,136	15,105	29,049	129,228	117,121	150,348	179,417
Minnesota	898.1	75.9	369.9	452.3	231,623	41,840	36,657	69,770	69,371	20,753	24,890
Mississippi	678.2	39.2	309.5	329.5	148,181	25,869	16,632	55,387	13,972	39,765	46,182
Missouri	1,100.3	315.7	741.1	43.5	315,709	63,506	12,970	83,430	20,020	144,022	167,278
Montana	1,179.0	80.0	412.0	687.0	143,328	68,947	13,476	23,788	14,968	27,984	31,529
Nebraska	488.9	30.0	231.4	227.5	109,729	31,754	15,770	21,487	24,105	21,996	25,785
Nevada	534.0	56.2	158.6	319.2	84,673	33,007	4,723	6,567	28,529	15,072	16,393
New Hampshire	213.8	55.4	42.6	115.8	65,956	13,370	2,754	12,953	5,547	33,691	39,222
New Jersey	371.5	89.3	119.2	163.0	315,288	99,406	24,155	77,955	73,524	47,909	54,225
New Mexico	1,002.9	291.3	72.7	638.9	136,553	36,641	6,287	18,568	11,391	65,003	70,601
New York	1,227.2	652.3	331.6	243.3	666,272	69,334	5,551	278,137	139,008	192,853	249,810
North Carolina	769.5	250.8	178.7	340.0	159,287	31,544	11,549	38,259	6,273	79,342	92,847
North Dakota	567.9	176.3	71.5	320.1	82,547	19,147	4,176	10,421	3,044	49,248	55,307
Ohio	1,489.3	553.6	394.2	541.5	628,098	61,511	21,595	111,315	34,510	413,289	469,876
Oklahoma	795.6	303.8	258.8	233.0	146,096	29,215	6,785	30,086	13,278	73,497	85,979
Oregon	731.4	413.2	134.0	184.2	177,685	40,343	5,236	51,398	29,410	58,768	70,331
Pennsylvania	1,539.8	565.7	312.9	661.2	524,271	161,867	47,314	81,446	37,040	214,919	250,547
Rhode Island	70.9	20.7	5.1	45.1	60,550	18,860	1,444	4,237	18,039	20,364	23,860
South Carolina	679.2	83.0	284.3	311.9	118,734	11,112	14,610	62,407	5,781	29,425	34,595
South Dakota	677.6	63.7	331.5	282.4	84,051	8,986	17,087	30,656	4,737	26,804	31,333
Tennessee	1,047.6	7.1	418.7	621.8	295,042	60,065	25,395	99,963	72,854	44,056	50,166
Texas	3,023.0	848.1	1,442.1	732.8	572,483	109,651	28,267	141,690	79,737	229,927	264,722
Utah	933.6	60.7	191.4	681.5	107,756	13,895	19,347	20,424	18,322	39,191	43,008
Vermont	321.2	11.6	140.8	168.8	91,246	39,463	3	24,498	9,049	20,481	23,959
Virginia	1,053.1	153.8	346.4	552.9	371,405	185,560	11,649	96,172	50,990	33,443	40,341
Washington	726.9	292.5	315.6	118.8	195,288	45,590	8,928	37,680	26,058	81,766	98,542
West Virginia	394.4	86.0	99.6	208.8	138,760	35,534	22,439	42,639	16,690	25,383	28,746
Wisconsin	452.5	146.0	306.5		178,992	39,177	22,524	31,297	19,011	74,362	87,074
Wyoming	916.8	105.2	216.8	594.8	117,632	26,855	10,982	29,922	6,764	46,853	51,732
District of Columbia	32.8	3.9	12.1	16.8	94,335	29,723	6,606	29,306	16,609	14,227	16,140
Puerto Rico											
Total	40,627.1	9,578.8	14,568.5	16,479.8	11,337,500	2,557,917	777,161	2,955,596	1,576,661	3,777,747	4,462,705
State share							98,431	381,728	378,967		
Total cost							875,592	3,337,324	1,955,628		

¹ Mileage data as of Oct. 1, 1960.

² Includes completed projects authorized prior to July 1, 1956.

Object Classification (in thousands of dollars)

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
41 Grants, subsidies, and contribu- tions	2,585,045	3,075,695	3,295,365
Reimbursable obligations:			
31 Equipment	227	100	100

	1960 actual	1961 estimate	1962 estimate
Administration and research, "Limita- tion on general administrative ex- penses"	28,767	31,470	33,800
Total obligations	2,614,040	3,107,265	3,329,265

BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

FOREST HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

For payment of obligations incurred in carrying out the provisions of 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, **[\$27,000,000] \$27,400,000**, which sum is **[a part]** composed of **\$2,250,000**, the balance of the amount authorized to be appropriated for the fiscal year 1960, and **\$25,150,000**, a part of the amount authorized to be appropriated for the fiscal year 1961: *Provided*, That this appropriation shall be available for the rental, purchase, construction, or alteration of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance but the total cost of any such item under this authorization shall not exceed \$15,000. (*Federal-Aid Highway Act of 1958 (72 Stat. 91); Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Construction.....	26,879	35,421	35,555
2. Administration.....	779	1,212	1,345
3. Forest Service administration.....	99	100	100
Total direct obligations.....	27,757	36,733	37,000
Reimbursable obligations:			
1. Construction.....	1,435	1,500	1,500
Total obligations.....	29,192	38,233	38,500
Financing:			
Unobligated balance brought forward (contract authorization).....	-38,490	-43,733	-40,000
Advances and reimbursements from—			
Other accounts.....	-1,301	-1,350	-1,350
Non-Federal sources (23 U.S.C. 308(a-b)).....	-134	-150	-150
Unobligated balance carried forward (contract authorization).....	43,733	40,000	36,000
New obligational authority (contract authorization).....	33,000	33,000	33,000

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	59,250	62,250	68,250
Contract authorization (new).....	33,000	33,000	33,000
Unfunded balance carried forward.....	-62,250	-68,250	-73,850
Appropriation to liquidate contract authorization.....	30,000	27,000	27,400

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 \$33 million are available for 1960, 1961, and 1962. The 1962 estimate finances the balance of the 1960 authorization and \$25.1 million,

a portion of the 1961 authorization both of which were provided by section 3 of the Federal-Aid Highway Act of 1958.

Legislation will be proposed to transfer the financing of this program to the Highway trust fund. These highways are similar in character and use to Federal-aid highways and should be financed in the same manner as the regular Federal-aid programs.

Actual and estimated progress of the program are summarized in the following table (dollars in thousands):

Fiscal year	Annual authorization ¹	Miles completed	Unobligated balance, end of year	Obligations for projects	Expenditures
1956.....	\$22,500	701	\$22,079	\$19,762	\$23,648
1957.....	30,000	497	27,997	23,424	21,502
1958.....	35,000	352	38,632	23,621	22,676
1959.....	33,000	429	38,490	32,250	27,798
1960.....	33,000	481	43,733	26,879	27,812
1961.....	33,000	550	40,000	35,421	30,893
1962.....	33,000	625	36,000	35,555	33,000

¹ Each fiscal year authorization becomes available for obligations not later than January 1 in the preceding fiscal year.

2. *Administration.*—In addition to administration this covers the costs of engineering supervision of the program.

3. *Forest Service administration.*—Payments to the Forest Service are made to cover its administrative and engineering costs in connection with the Forest highway program.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	2,400	2,740	2,785
Positions other than permanent.....	594	595	595
Other personnel compensation.....	164	156	146
Total personnel compensation.....	3,158	3,492	3,526
Direct obligations:			
11 Personnel compensation.....	2,463	2,836	2,869
12 Personnel benefits.....	152	205	207
21 Travel and transportation of persons.....	580	807	815
22 Transportation of things.....	18	25	25
23 Rent, communications, and utilities.....	201	280	282
24 Printing and reproduction.....	8	11	11
25 Other services.....	179	249	251
Services of other agencies.....	928	1,291	1,301
26 Supplies and materials.....	365	508	513
31 Equipment.....	198	275	277
32 Lands and structures.....	22,665	30,246	30,449
Total direct obligations.....	27,757	36,733	37,000
Reimbursable obligations:			
11 Personnel compensation.....	695	656	657
12 Personnel benefits.....	43	48	48
21 Travel and transportation of persons.....	164	187	186
22 Transportation of things.....	5	6	6
23 Rent, communications, and utilities.....	56	65	65
24 Printing and reproduction.....	2	2	2
25 Other services.....	50	57	57
Services of other agencies.....	261	298	298
26 Supplies and materials.....	103	117	117
31 Equipment.....	56	64	64
Total reimbursable obligations.....	1,435	1,500	1,500
Total obligations.....	29,192	38,233	38,500

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	625	625	625
Full-time equivalent of other positions.....	181	180	180
Average number of all employees.....	625	645	645
Number of employees at end of year.....	833	835	835
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

PUBLIC LANDS HIGHWAYS (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 title 23, United States Code, section 203, to remain available until expended, **[\$2,700,000] \$3,000,000**, which sum is **[a part]** composed of \$300,000, the balance of the amount authorized to be appropriated for the fiscal year 1961, and \$2,700,000, a part of the amount authorized to be appropriated for the fiscal year 1962. (Federal-Aid Highway Act of 1958 (72 Stat. 93); Federal Highway Act of 1960 (74 Stat. 522); Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction.....	2,130	4,045	3,431
2. Administration.....	31	59	69
Total obligations.....	2,161	4,104	3,500
Financing:			
Unobligated balance brought forward (contract authorization).....	-3,265	-4,104	-3,500
Unobligated balance carried forward (contract authorization).....	4,104	3,500	3,000
New obligational authority (contract authorization).....	3,000	3,500	3,000

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	4,000	3,000	3,800
Contract authorization (new).....	3,000	3,500	3,000
Unfunded balance carried forward.....	-3,000	-3,800	-3,800
Appropriation to liquidate contract authorization.....	4,000	2,700	3,000

1. *Construction.*—Highways are constructed and improved through public lands in those States with large areas of such lands. The 1962 estimate finances the balance of the 1961 authorization provided by the Federal-Aid Highway Act of 1958 and \$2.7 million of the 1962 authorization provided by the Federal Highway Act of 1960. Legislation will be proposed to transfer the financing of this program to the Highway trust fund. These highways are similar in character and use to Federal-aid highways, are all on either the primary or secondary systems, and therefore should be financed 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 (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	15	25	26
Positions other than permanent.....	6	10	10
Total personnel compensation.....	21	35	36
12 Personnel benefits.....	1	3	3
21 Travel and transportation of persons.....	9	10	10
23 Rent, communications, and utilities.....	1	1	1
25 Other services:			
Services of other agencies.....	46	95	95
32 Lands and structures.....	2,083	3,960	3,355
Total obligations.....	2,161	4,104	3,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	8	8	8
Full-time equivalent of other positions.....	2	3	3
Average number of all employees.....	5	8	8
Number of employees at end of year.....	3	5	5
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

REPAYABLE ADVANCES TO THE HIGHWAY TRUST FUND

For repayable advances to the "Highway trust fund" during the current fiscal year, as authorized by section 209(d) of the Highway Revenue Act of 1956 (70 Stat. 399), \$160,000,000. (Department of Commerce and Related Agencies Appropriation Act, 1961.)

The appropriation for 1961 provides an advance to the Highway trust fund required to satisfy expected demands for reimbursement to the States during the fiscal year. This advance was required because expenditures during the first half of 1961 will exceed revenues available in the trust fund. Thereafter, receipts will begin to exceed expenditures and will be adequate to permit repayment to the general fund of the full amount of the advance, with interest, prior to June 30, 1961. No advance is anticipated as being necessary in 1962.

FEDERAL-AID HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Recovery of prior year obligations.....	-250		
Unobligated balance rescinded (70 Stat. 765).....	250		
Reauthorization of contract authorization.....	-250		
Unobligated balance transferred to "Federal-aid highways (trust fund)" (contract authorization).....	250		
New obligational authority (contract authorization).....			

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Reauthorization of contract authorization (appropriation balance written off).....	250		
Unfunded balance transferred to "Federal-aid highways (trust fund)".....	-250		
Appropriation to liquidate contract authorization.....			

BUREAU OF PUBLIC ROADS—Continued

Current authorizations—Continued

BUREAU OF PUBLIC ROADS MISCELLANEOUS ACCOUNTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. "Inter-American Highway".....	7,275	1,666	354
2. "Woodrow Wilson Memorial Bridge".....	1,642	733	29
3. "Access roads (act of Sept. 7, 1950)".....	183	185	185
Total direct obligations.....	9,100	2,584	568
Reimbursable obligations:			
1. "Inter-American Highway".....	58		
2. "Woodrow Wilson Memorial Bridge".....	420	85	
Total reimbursable obligations.....	478	85	
Total obligations.....	9,578	2,669	568
Financing:			
Unobligated balance brought forward.....	-13,586	-4,122	-1,538
Advances and reimbursements—			
Other accounts.....	-4		
Non-Federal sources (23 U.S.C. 308(a-b)).....	-474	-85	
Recovery of prior year obligations: "Construction, operation, and maintenance of roads, Alaska".....	-174		
Unobligated balance carried forward.....	4,122	1,538	970
Unobligated balance rescinded (73 Stat. 145).....	539		
New obligational authority (appropriation).....			

1. *Inter-American Highway.*—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 highway in these countries will be approximately 1,555 miles in length and will connect with the completed Mexican section to permit uninterrupted motor travel from the United States to Panama. It is anticipated that by June 30, 1962, it will be possible to drive from the Mexican border to the Panama Canal, although some sections of the highway will only be all-weather surface roads.

2. *Woodrow Wilson Memorial Bridge.*—Funds provide for the construction of a bridge over the Potomac River near Jones Point, Virginia. It is expected that the bridge will be completed by September 1, 1961.

3. *Access roads (act of September 7, 1950).*—These funds are currently being utilized for the maintenance of the Pentagon Network and Shirley Highway in Arlington County, Va.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	687	734	621
Positions other than permanent.....	6	7	4
Other personnel compensation.....	54	54	46
Total personnel compensation.....	747	796	672
Direct obligations:			
11 Personnel compensation.....	719	782	672
12 Personnel benefits.....	123	137	130

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations—Continued			
21 Travel and transportation of persons.....	64	53	53
22 Transportation of things.....	39	34	34
23 Rent, communications, and utilities.....	40	39	36
24 Printing and reproduction.....	1	1	
25 Other services.....	26	36	36
Services of other agencies.....	551	486	463
26 Supplies and materials.....	67	112	18
31 Equipment.....	20	18	17
32 Lands and structures.....	1,366	452	
41 Grants, subsidies, and contributions.....	6,082	434	
42 Insurance claims and indemnities.....	2		
Subtotal.....	9,101	2,584	1,459
Deduct—			
Quarters and subsistence charges.....	1		
Portion of foregoing obligations originally charged to—			
Object class 32.....			27
Object class 41.....			864
Total direct obligations.....	9,100	2,584	568
Reimbursable obligations:			
11 Personnel compensation.....	28	14	
12 Personnel benefits.....	3	1	
21 Travel and transportation of persons.....	1		
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	1		
25 Other services.....	6	3	
Services of other agencies.....	24	11	
32 Lands and structures.....	414	56	
Total reimbursable obligations.....	478	85	
Total obligations.....	9,578	2,669	568

Personnel Summary

Total number of permanent positions.....	143	142	133
Full-time equivalent of other positions.....	1	2	1
Average number of all employees.....	122	121	100
Number of employees at end of year.....	93	105	84
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

GENERAL PROVISIONS—BUREAU OF PUBLIC ROADS

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, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:

- "Military construction, Air Force."
- "Missile procurement, Air Force."
- "Operation and maintenance, Army."
- "Military construction, Army."
- "Plant acquisition and construction," Atomic Energy Commission.
- "Construction," Central Intelligence Agency.
- "Forest roads and trails," Forest Service.
- "Road construction and maintenance (liquidation of contract authorization)," Bureau of Indian Affairs.
- "Construction," Bureau of Land Management.
- "Oregon and California grant lands," Bureau of Land Management.
- "Expenses, Public Lands Administration Act," Bureau of Land Management.
- "Construction (liquidation of contract authorization)," National Park Service.
- "Rama Road, Nicaragua," Department of State.
- "Construction and equipment," National Aeronautics and Space Administration.
- "Salaries and expenses," National Science Foundation.
- "Military construction, Naval Reserve Forces."
- "Military construction, Navy."

Trust funds:

HIGHWAY TRUST FUND

Amounts Available for Transfer (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts available:			
Balance brought forward:			
Cash.....	94,443	117,886	50,000
U.S. securities (par).....	429,214	1,335	58,258
Receipts:			
Excise taxes (transfer from general fund receipts):			
Existing legislation.....	2,642,499	2,987,000	3,346,000
Proposed legislation.....			-58,000
Interest on investments.....	1,855	1,000	2,000
Total amounts available.....	3,168,011	3,107,221	3,398,258
Transfers and balances: Transfers to—			
Existing legislation:			
"Refunds and interest on general fund advances".....	108,539	131,000	132,000
"Federal-aid highways (trust fund)".....	2,940,251	2,867,963	2,991,000
Proposed legislation:			
"Refunds and interest on general fund advances".....			-3,000
"Forest highways (trust fund)".....			33,000
"Public lands highways (trust fund)".....			4,500
Balance carried forward:			
Cash.....	117,886	50,000	50,000
U.S. securities (par).....	1,335	58,258	190,758
Total transfers and balances.....	3,168,011	3,107,221	3,398,258

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 U.S. securities, and interest thereon is added to the fund.

The Highway Act of 1959 increased motor fuel taxes by 1 cent per gallon to 4 cents, beginning on October 1, 1959, and extending through 1961. Effective July 1, 1961, and extending through June 30, 1964, half of the present excise tax on automobiles and five-eighths of the present tax on parts and accessories will be deposited in the Highway trust fund.

It is again proposed that the tax on motor fuel be increased to 4½ cents effective July 1, 1961, to continue through 1972. If enacted this proposal will provide adequate revenues in the Highway trust fund to complete the Interstate System by 1973 and continue authorizations for regular Federal-aid programs at an annual level of \$925 million. This action will make unnecessary the impending diversion of certain excises on automobiles, parts and accessories from the general fund and legislation will also be proposed to rescind these excise tax provisions of the Highway Act of 1959.

In addition, legislation will be proposed to transfer the financing of forest and public lands highways programs from the general fund to the Highway trust fund and, accordingly, the above schedules have been adjusted to show the effect of this proposal. The above schedules also

reflect action being proposed in 1962 to retain the revenues from aviation gasoline taxes in the general fund instead of depositing them in the Highway trust fund.

The status of the fund is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Investment in U.S. securities at beginning of year (par).....	429,214	1,335	58,258
Cash:			
Highway trust fund.....	93,921	29,615	50,000
Federal-aid highways (trust fund).....	522	88,271	
Balance of fund at beginning of year.....	523,657	119,221	108,258
Cash income during year:			
From excise taxes:			
Existing legislation.....	2,642,499	2,987,000	3,346,000
Proposed legislation.....			-58,000
Interest on investments.....	1,855	1,000	2,000
Total annual income.....	2,644,354	2,988,000	3,290,000
Cash outgo during year:			
Existing legislation:			
Refund of taxes.....	103,472	128,000	132,000
Federal-aid highways (trust fund).....	2,940,251	2,867,963	2,991,000
Interest on general fund advance.....	5,067	3,000	-----
Proposed legislation:			
Refund of taxes.....			-3,000
Forest highways (trust fund).....			33,000
Public lands highways (trust fund).....			4,500
Total annual outgo.....	3,048,790	2,998,963	3,157,500
Investment in U.S. securities at end of year (par).....	1,335	58,258	190,758
Cash:			
Highway trust fund.....	29,615	50,000	50,000
Federal-aid highways (trust fund).....	88,271	-----	-----
Balance of fund at end of year.....	119,221	108,258	240,758

REFUNDS AND INTEREST ON GENERAL FUND ADVANCES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Refund of taxes.....	103,472	128,000	132,000
2. Interest on general fund advances.....	5,067	3,000	-----
Total obligations.....	108,539	131,000	132,000
Financing:			
Transfer from "Highway trust fund".....	108,539	131,000	132,000

There is transferred an indefinite amount for payment into the general fund to cover refund of certain taxes primarily for gasoline used for farming. The Highway trust fund is charged interest on the general fund advance which was authorized for 1960 and 1961.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
43 Interest and dividends.....	5,067	3,000	-----
44 Refunds.....	103,472	128,000	132,000
Total obligations.....	108,539	131,000	132,000

BUREAU OF PUBLIC ROADS—Continued**Proposed for later transmission:**

FEDERAL-AID HIGHWAYS (TRUST FUND)

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance transferred from "Federal-aid highways (trust fund)"		92,000	
Unfunded balance carried forward		0	
Proposed transfer from "Highway trust fund" to liquidate contract authorization		92,000	

Under existing legislation, 1961.—The 1961 estimated expenditures of \$2,868 million will require a supplemental appropriation of \$92 million to reimburse the States for the Federal share of work done under Federal-aid highway authorizations. Increased revenue estimates over those originally anticipated have permitted the program to go forward faster than originally planned. The Highway trust fund estimated 1961 revenues, together with the carryover balance from 1960, will be sufficient to meet the additional appropriation and will leave a balance in the Highway trust fund of \$108 million at June 30, 1961.

FOREST AND PUBLIC LANDS HIGHWAYS (TRUST FUND)

Under proposed legislation, 1962.—Legislation is proposed to transfer financing of the forest and public lands highways programs from the general fund to the Highway trust fund. These highways are similar in character and use to Federal-aid highways and should logically be financed from the Highway trust fund in the same manner as the regular Federal-aid programs.

[In thousands of dollars]

1962 estimate

Reduction in new obligational authority: Contract authorization:		
"Forest highways".....	33,000	
"Public lands highways".....	3,000	
Reduction in appropriations to liquidate contract authorization:		
"Forest highways".....	27,400	
"Public lands highways".....	3,000	

HIGHWAY TRUST FUND

Under proposed legislation, 1962.—It is proposed that motor fuel taxes be increased to 4½ cents per gallon, effective July 1, 1961, to continue through 1972. Enactment of this proposal will return the Interstate System to a schedule of completion consistent with the intent expressed in the 1956 Highway Act of providing a system adequate to handle traffic needs for 1975 and permit repeal of the provisions of the 1959 act which will divert certain excise taxes to the Highway trust fund for the period July 1, 1961, to June 30, 1964.

Approval of this legislation will enable the Secretary to step up apportionments of Interstate authorizations beginning with the authorization for 1964, and will permit completion of the Interstate System by 1973 based on cost estimates presented to the Eighty-seventh Congress.

[In thousands of dollars]

1962 estimate

Reduction in trust fund receipts:		
Increase in motor fuel taxes to 4½ cents.....	777,000	
Decrease in excise taxes on automobiles and parts and accessories....	810,000	
Reduction in balance carried forward.....		—33,000

Under proposed legislation, 1962.—Revenue from excise taxes on aviation gasoline now goes into the Highway trust fund a portion of which is subsequently refunded to the taxpayer. Legislation will be submitted to the Congress providing for an increase in the tax rate and for the retention of aviation gasoline taxes in the general fund. If this proposal is enacted the Highway trust fund will reflect a net reduction of \$22 million in revenue for 1962, as follows:

	[In thousands of dollars]	1962 estimate
Net reduction in trust fund receipts: Excise taxes (transfer from general fund receipts).....		—22,000
Reduction in balance carried forward.....		—22,000

NATIONAL BUREAU OF STANDARDS

The National Bureau of Standards is the agency of the Federal Government responsible for the national standards of physical measurement. Against these standards, all the working standards of the Nation—those used by scientists and engineers in research and development, those used by industry in the measurement and production of interchangeable parts, and those used by other Government and State agencies to ascertain conformity—are calibrated. Closely associated with the standards activity, the Bureau serves science, industry, and Government as a national laboratory conducting research and development on methods of measurement and instrumentation; determining fundamental physical constants and basic properties of materials; developing improved methods for testing materials and equipment; developing codes and specifications; and assisting other Government agencies through advisory services on technical problems and by invention and development of devices to meet special needs.

Current authorizations:

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. 271–278e), including general administration; operation, maintenance, alteration, and protection of grounds and facilities; and improvement and construction of facilities as authorized by the Act of September 2, 1958 (15 U.S.C. 278d); **[\$18,800,000] \$24,000,000**, of which not to exceed **[\$1,275,000] \$2,000,000** 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 September 2, 1958 (15 U.S.C. 278e), shall be equivalent to the entrance rate of GS-12. (15 U.S.C. 271–278e; 40 U.S.C. 14a; 5 U.S.C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Physics and electronics.....	6,271	7,685	8,881
2. Chemistry and metallurgy.....	3,515	4,234	4,852
3. Mechanics and engineering.....	1,850	2,155	2,587
4. Radio propagation.....	3,484	4,380	4,836
5. General services.....	578	819	959
6. Payment to "Working capital fund".....	1,275	467	1,800
Total program costs.....	16,973	19,740	23,915
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	165	13	85
Total obligations (object class 25).....	17,138	19,753	24,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	112		
New obligational authority.....	17,250	19,753	24,000
New obligational authority:			
Appropriation.....	17,250	18,800	24,000
Proposed supplemental due to pay increases.....		953	

The proposed increase of \$4,247 thousand for the research programs of the Bureau will provide for an important expansion of those programs and increased procurement of scientific equipment. The Bureau's programs of basic and applied research, development of instruments and methods of measurement, and general technical services are classified under six major activities.

1. *Physics and electronics.*—This activity includes the work of the metrology, heat, atomic physics, radiation physics, electricity, radio standards, instrumentation and data processing systems divisions. These divisions are primarily responsible for the Bureau's research underlying the national standards of physical measurement needed for our advancing technology and broadening range of scientific exploration. Particular emphasis will be given to standards for radio and microwave quantities, measurement and standards problems in plasma physics and astrophysics, and to high-temperature standards and measurement methods.

2. *Chemistry and metallurgy.*—This activity includes the work of the chemistry, organic and fibrous materials, metallurgy, and mineral products divisions. These divisions will continue their emphasis on research on the fundamental properties of materials under varying environmental conditions and on the preparation and analysis of high-purity substances.

3. *Mechanics and engineering.*—This activity includes the work of the mechanics, building research, and cryogenic engineering divisions. These divisions will contribute to the Bureau's high-temperature and high-pressure standards programs and will conduct studies of the engineering properties of materials at extremely high and low temperatures. A comprehensive program of basic and applied research on flames and fires will be funded under this activity in 1962.

4. *Radio propagation.*—This activity includes the work conducted by the divisions comprising the Central Radio Propagation Laboratory at Boulder, Colo., and supplementary field stations. The program planned for 1962 includes basic research on upper atmosphere physics and theoretical and experimental research in plasma physics and astrophysics.

5. *General services.*—This activity includes those technical programs of the Bureau that are primarily directed toward supporting other activities of the Bureau as well as the calibration and standard samples services provided to the States. Included are the applied mathematics division, the office of weights and measures, the reactor design group, certain special research programs, and research planning for advanced programs.

6. *Payment to "Working capital fund".*—Additional equipment required in support of the research programs will be procured by the Bureau's Working capital fund and added to the depreciable equipment inventory of that fund. It is estimated that in 1962 payments of \$1.8

million will be made from the Research and technical services appropriation to the Working capital fund to finance these capital outlays.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$402 thousand; 1959 (adjusted), \$397 thousand; 1960, \$562 thousand; 1961, \$575 thousand; 1962, \$660 thousand.

RESEARCH AND TECHNICAL SERVICES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, \$1,000,000, which shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States. (7 U.S.C. 1701, 1704; 15 U.S.C. 271-278e; 40 U.S.C. 14a; 5 U.S.C. 596a.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Physics and electronics.....			141
2. Radio propagation.....			75
3. General services.....			11
Total program costs.....			227
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			763
Total obligations.....			990
Financing:			
Unobligated balance carried forward.....			10
New obligational authority (appropriation)			1,000

National Bureau of Standards responsibilities for basic and applied research, improvement of standards, and dissemination of information on properties of materials, measurement techniques, and radio propagation are of sufficient breadth to permit ready utilization of research capabilities in other countries. The proposed foreign currency program will supplement the Bureau's existing program, allow an acceleration of research effort in selected areas, and permit economies to the Bureau's regular appropriations over the long term.

The 1962 program, authorized by section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, is made up of 13 separate projects to be conducted over a 3-year period in 3 countries. A cost of \$6 thousand, U.S. dollars, charged to the appropriation for Research and technical services, will be required for the initiation and supervision of the program.

4. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders for 1962 is \$763 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....			13
25 Other services.....			214
Total costs.....			227
Obligations incurred for costs of other years, net.....			763
Total obligations.....			990

NATIONAL BUREAU OF STANDARDS—Continued

Current authorizations—Continued

PLANT AND FACILITIES

For expenses incurred, as authorized by section 1 of the Act of September 2, 1958 (15 U.S.C. 278[d]c-278e), in the acquisition, construction, improvement, alteration, or emergency repair of buildings, grounds, and other facilities; in the design of a nuclear

research reactor and associated laboratories], including a warehouse and an addition to the cryogenics laboratory and equipment for the main laboratory building, Boulder, Colorado; a standard frequency broadcast station (including land and equipment); land for an access road to a radio field station; a building and seawall at Maui, Hawaii; and [in the] procurement and installation of special research equipment and facilities therefor; \$2,000,000, to remain available until expended. (15 U.S.C. 271-278e; 40 U.S.C. 14a; 5 U.S.C. 596a; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs			Analysis of 1962 financing		
	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962
Program by activities:						
Operating costs:						
1. Improvements and modifications.....	11	281				
Capital outlay:						
1. Improvements and modifications.....	111	359	234	357	360	237
2. Special equipment.....	354	842	875	195	44	724
3. Construction.....	31	1,013	1,557	876	310	991
4. Acquisition of land.....	9	266	123	75		48
Total capital outlay.....	505	2,480	2,789	1,503	714	2,000
Total program costs.....	516	2,761	2,789	1,503	714	2,000
5. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—)			—486			
Obligations incurred for costs of other years, net.....	34	689				
Total obligations.....	550	3,450	2,303			
Financing:						
Unobligated balance brought forward.....	—507	—2,097	—647			
Unobligated balance carried forward.....	2,097	647	344			
New obligational authority (appropriation).....	2,140	2,000	2,000			

This appropriation provides for construction and improvements to the plant facilities of the National Bureau of Standards and procurement of major special facilities. The Bureau's laboratories and administrative offices occupy 86 buildings on a 68-acre tract in Washington, D.C. The Bureau also has a large laboratory on a 217-acre site at Boulder, Colo., and several small radio field stations, some of which are outside the continental limits.

Operating costs—1. *Improvements and modifications*.—Noncapitalized maintenance and repair projects are charged to operating costs including costs associated with closing the Sterling, Va., radio field station. None are anticipated in 1962.

Capital outlay—1. *Improvements and modifications*.—The budget includes \$237 thousand for minor capital improvements of a general nature required for the Bureau's laboratories and field stations. Other minor improvements, when of a special, project-related character, are charged to the appropriation for Research and technical services. Noncapital alterations are charged to the operating costs of this appropriation.

2. *Special equipment*.—This activity includes the procurement of large and unusual items of equipment for which the investment of working capital is not appro-

priate. The budget provides \$440 thousand for completion of a scatter radar transmitter and antenna designed to study the character of the upper atmosphere and \$284 thousand for construction and equipping of a standard frequency broadcast station. In addition, anticipated costs in 1962 include \$151 thousand for an atomic frequency standard financed in prior years.

3. *Construction*.—The budget includes \$935 thousand for construction of additional facilities at the Boulder laboratories and \$56 thousand for construction at the Maui, Hawaii, field station. Anticipated costs in 1962 include \$776 thousand for an addition to the Boulder radio laboratory building and \$100 thousand for the design and engineering of a nuclear research reactor, both financed in prior years, and \$625 thousand for Boulder facilities financed in the 1962 budget.

4. *Acquisition of land*.—Land will be acquired for a standard frequency broadcast station and an access road to a radio field station. Anticipated costs in 1962 include \$75 thousand for other field station sites financed in prior years as well as the \$48 thousand budget program.

5. *Relation of costs to obligations*.—Year-end balances of unpaid, undelivered orders are as follows: 1959, \$133

thousand; 1960, \$167 thousand; 1961, \$856 thousand; 1962, \$370 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
NATIONAL BUREAU OF STANDARDS			
25 Other services.....	487	2,056	1,597
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....		1	
24 Printing and reproduction.....		2	2
25 Other services.....	29	20	90
32 Lands and structures.....		682	1,100
Total, General Services Administration.....	29	705	1,192
Total costs.....	516	2,761	2,789
Costs financed from obligations of other years, net (-).....			-486

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION—Continued			
Obligations incurred for costs of other years, net.....	34	689	
Total obligations.....	550	3,450	2,303

CONSTRUCTION OF FACILITIES

For an additional amount for "Construction of facilities", including construction, equipment, and expenses of occupying the facilities, **[\$23,500,000]** \$50,000,000, to remain available until expended: *Provided*, That not to exceed **[\$2,500,000]** \$500,000 of this amount shall be available for payment to the "Working capital fund," National Bureau of Standards, for additional capital for purchase of equipment. (15 U.S.C. 271-278e; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Design and engineering.....	4,051	201	414	1,076	1,140	2,059	1,045	126	175
2. Site acquisition.....	750	487	68	195					
3. Construction.....	70,249			1,920	25,090	13,323	34,752	46,519	8,487
4. Equipment:									
(a) Major scientific facilities.....	6,275			700	2,900	4,925	2,675	650	
(b) Payment to "Working capital fund".....	8,997			216	1,377	1,391	691	677	6,713
5. Moving and occupancy.....	4,678				568	455	1,915	2,028	2,195
Total program costs.....	95,000	688	482	4,107	31,075	22,153	41,078	50,000	17,570
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....			-284						
Obligations incurred for costs of other years, net.....				15,671	21,111				
Total obligations.....			198	19,778	52,186				
Financing:									
Unobligated balance brought forward.....			-1,193	-995	-4,717				
Unobligated balance carried forward.....			995	4,717	2,531				
New obligational authority (appropriation).....				23,500	50,000				

This appropriation finances the construction, equipping, and occupancy of new laboratory, administrative, and service buildings to be constructed on a site near Gaithersburg, Md., to house the activities of the National Bureau of Standards now conducted in Washington, D.C. The new facilities are replacements for present facilities and do not provide for new programs, although they will house certain equipment for radiation physics research and large force measurements not heretofore available.

The first increment of the construction program was provided in the 1961 budget. The 1962 budget provides for the second increment of the program, including construction of seven general-purpose laboratory buildings and administration, shops, and warehousing buildings, as well as the completion of site development and utilities work and financing of major built-in equipments. Additional appropriations will be required in future years for

various special-purpose laboratories and to make equipment purchases necessitated by the relocation.

1. *Design and engineering.*—Detailed planning and preparation of architectural designs and engineering drawings are now underway, and much of this phase of the work will be completed during 1961. Estimated costs for 1962 cover continued architectural and engineering services, preparation of invitations to bid, bid analysis and awarding of construction contracts, and construction supervision. An appropriation is required to finance supervision of the construction to be contracted in 1962.

2. *Site acquisition.*—It is anticipated that court action in the condemnation proceedings for the Gaithersburg site will be completed during the current year. No further costs are estimated under this activity after 1961.

NATIONAL BUREAU OF STANDARDS—Continued

Current authorizations—Continued

CONSTRUCTION OF FACILITIES—Continued

3. *Construction.*—This activity includes the construction of laboratories and other buildings, including mechanical and electrical equipment, special laboratory services, site development, and utilities. Costs estimated for 1962 reflect continued activity on the items included in the first construction increment as well as initial activities under new contracts.

4. *Equipment.*—Estimated costs for major scientific facilities are primarily for the linear electron accelerator and the large force measurement equipment financed by the 1961 appropriation. These facilities will be donated to the Bureau's Working capital fund and no depreciation charged against their use.

The budget for 1962 provides funds for such other large items as have long procurement lead time. Other equipment, the replacement or acquisition of which is necessitated by the relocation program, will be purchased through investment of working capital and will be depreciated in subsequent years. Payment of not more than \$2.5 million from the Construction of facilities appropriation to the Working capital fund to provide the necessary capital has been authorized. Payment of an additional \$0.5 million from the appropriation to the fund is proposed in 1962.

5. *Moving and occupancy.*—This activity includes the costs of moving and installing scientific apparatus as well as certain semifixed furnishings for laboratory, library, cafeteria, and other areas. Estimated costs for 1962 are for furnishings for the two laboratories now under construction. The budget includes financing of built-in furnishings for buildings to be contracted in 1962. The balance of furnishing and moving costs will be deferred until a subsequent year.

6. *Relation of costs to obligations.*—The year-end balances of unpaid undelivered orders are as follows: 1959, \$2,049 thousand; 1960, \$1,765 thousand; 1961, \$17,436 thousand; 1962, \$38,547 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NATIONAL BUREAU OF STANDARDS			
25 Other services.....	57	944	4,302
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....	1	35	75
25 Other services.....	356	1,013	1,040
31 Equipment.....			568
32 Lands and structures.....	68	2,115	25,090
Total, General Services Administration..	425	3,163	26,773
Total costs.....	482	4,107	31,075
Costs financed from obligations of other years, net (—).....	—284		
Obligations incurred for costs of other years, net.....		15,671	21,111
Total obligations.....	198	19,778	52,186

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
 "International Geophysical Year," National Science Foundation.
 "Research and development," Office of Civil and Defense Mobilization.
 "Research, development, test, and evaluation, Air Force."
 "Research, development, test, and evaluation, Army."
 "Research, development, test, and evaluation, Navy."

Intragovernmental funds:

WORKING CAPITAL FUND

The Working capital fund shall be available, during the current fiscal year, for the purchase of not to exceed three passenger motor vehicles for replacement only. (15 U.S.C. 271–278e; 40 U.S.C. 14a; 5 U.S.C. 596a.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Technical program:			
(a) Physics and electronics.....	12,740	14,876	15,833
(b) Chemistry and metallurgy.....	6,324	7,339	7,727
(c) Mechanics and engineering.....	5,200	6,032	6,370
(d) Radio propagation.....	7,452	8,755	9,288
(e) General services.....	3,090	3,506	4,466
Total technical program.....	34,806	40,508	43,684
2. Plant improvement and special equipment:			
(a) Plant and facilities.....	487	2,056	1,606
(b) Construction of facilities.....	57	728	2,925
Total, plant improvement and special equipment.....	544	2,784	4,531
3. Other operating costs:			
(a) Equipment donated to other agencies.....	32	10	10
(b) Materials donated to other agencies.....	31	20	20
(c) Net book value of excess material sold.....	9	15	15
(d) Undistributed adjustments to cost.....	54		
Total, other operating costs.....	126	45	45
Total operating costs.....	35,476	43,337	48,260
4. Unfunded adjustments to total operating costs:			
Depreciation included above (—).....	—2,160	—2,698	—2,919
Property transferred in without charge (—).....		—10	—10
Other unfunded costs included above (—).....	—95	—10	—10
Total operating costs, funded.....	33,221	40,619	45,321
Capital outlay: ¹			
5. Facilities.....			90
6. Equipment.....	3,048	3,550	5,000
Total capital outlay.....	3,048	3,550	5,090
Total program costs, funded.....	36,269	44,169	50,411
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....			—750
Obligations incurred for costs of other years, net.....	735	4,089	
Total obligations.....	37,004	48,258	49,661

¹ Excludes net assets donated to Working capital fund as follows: 1960, \$1,504 thousand; 1961, \$6,556 thousand; 1962, \$32,104 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available:			
Payment from—			
"Research and technical services".....	1,275	467	1,800
"Construction of facilities".....		216	1,377
Revenue and receipts:			
Revenue.....	35,536	43,492	48,415
Change in accepted orders on hand.....	177	4,529	-1,718
Other receipts.....	33	20	20
Total amounts becoming available.....	37,021	48,724	49,894
Unobligated balance brought forward.....	8,237	8,006	8,244
Total amounts available.....	45,258	56,730	58,138
Capital transfer (payment of earnings to Treasury) (-).....	-248	-228	-195
Unobligated balance carried forward.....	-8,006	-8,244	-8,282
Financing applied to program.....	37,004	48,258	49,661

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, 1960, consisted of \$5 million in appropriations, \$1 million in capital provided by appropriations of the Bureau, and \$39 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 \$87 million by June 30, 1962.

Operating costs—1. *Technical program*.—Research and development activities 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.

The total research and development program conducted on contract with other agencies is expected to decline as the Bureau's own appropriation increases, although in certain of the Bureau's divisions the demands of the missile and space programs are expected to result in increases in other agency programs. The provision of mathematical computation services to other agencies and the provision of calibration services to the public and to other agencies are also expected to increase.

2. *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.

3. *Other operating costs*.—The donation or sale of excess material and the donation of excess equipment to other agencies are recorded as operating costs of the fund.

Capital outlay.—Working capital of the fund is invested in equipment which is subject to depreciation charges. In 1962 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. Some of the equipment for the new laboratories of the Bureau will also be purchased as investments of the fund, the additional capital being provided by payments from the appropriation for Construction of facilities. All other equipment and facilities fi-

nanced by Bureau appropriations are shown as donated assets of the fund.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories.....	2,807	3,182	3,311	3,631
Advances.....	59	87	87	87
Unpaid undelivered orders.....	2,982	3,314	7,274	6,204
Total selected resources at end of year.....	5,848	6,583	10,672	9,922
Selected resources at start of year (-).....		-5,848	-6,583	-10,672
Costs financed from obligations of other years, net (-).....				-750
Obligations incurred for costs of other years, net.....		735	4,089	

Operating results.—Retained earnings at the end of each year are transferred to Treasury the year following.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	3,048	3,550	5,000
Acquisition of facilities.....			90
Expense:			
Acquisition of inventories.....	3,861	4,034	4,670
Other expense.....	29,740	36,719	40,976
Increase in selected working capital.....		293	
Total gross expenditures.....	36,649	44,596	50,736
Receipts from operations (funds provided):			
Operating program: Revenue.....	35,536	43,492	48,415
Payment from—			
"Research and technical services".....	1,275	467	1,800
"Construction of facilities".....		216	1,377
Undistributed receipts:			
Proceeds from sale of equipment.....	31	10	10
Proceeds from sale of material.....	6	15	15
Decrease in selected working capital.....	494		48
Total receipts from operations.....	37,342	44,200	51,665
Budget expenditures	-693	396	-929

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Operating program:			
Revenue:			
Bureau appropriations.....	16,242	22,057	26,646
Other agencies.....	17,903	19,744	19,839
Non-Federal sources.....	1,391	1,691	1,930
Total revenue.....	35,536	43,492	48,415
Expense.....	35,380	43,292	48,215
Net operating income.....	156	200	200
Nonoperating income or loss (-):			
Proceeds from sale of equipment.....	31	10	10
Net book value of assets sold.....	-15	-10	-10
Net gain from sale of equipment.....	16		
Proceeds from sale of materials.....	6	15	15
Net book value of assets sold.....	-9	-15	-15
Net loss (-) from sale of materials.....	-3		
Other gains or losses (-).....	59	-5	-5
Net nonoperating income or loss (-).....	72	-5	-5
Net income for the year.....	228	195	195

NATIONAL BUREAU OF STANDARDS—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Analysis of retained earnings:			
Retained earnings, beginning of year	248	228	195
Payment of earnings to Treasury (-)	-248	-228	-195
Retained earnings, end of year	228	195	195

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury	9,557	8,933	9,667
Accounts receivable, net	4,705	5,273	5,925
Advances	87	87	87
Standard materials for sale	2,420	2,630	2,875
Materials inventory	762	681	756
Land, structures, and equipment, net	38,909	46,297	80,552
Precious stones and metals	550	550	550
Water rights	6	6	6
Total assets	56,996	64,457	100,418
Liabilities:			
Current:			
Reserve for unused annual leave	2,306	2,406	2,606
Advances from other Government agencies	7,125	7,300	7,300
Other	2,794	2,794	3,294
Total liabilities	12,225	12,500	13,200
Government investment:			
Non-interest-bearing capital:			
Start of year	41,827	44,543	51,762
Payment from—			
“Research and technical services”	1,275	467	1,800
“Construction of facilities”		216	1,377
Donated assets, net	1,441	6,536	32,084
End of year	44,543	51,762	87,023
Retained earnings	228	195	195
Total Government investment	44,771	51,957	87,218

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash	9,112	9,557	8,933	9,667
Obligated balance, net:				
Current liabilities	11,302	12,225	12,500	13,200
Unpaid undelivered orders	2,982	3,314	7,274	6,204
Accounts receivable, net (-)	-4,304	-4,705	-5,273	-5,925
Unfilled customers' orders (-)	-9,106	-9,283	-13,812	-12,094
Total obligated balance	875	1,551	689	1,385
Unobligated balance	8,237	8,006	8,244	8,282

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	21,065	24,676	26,144
Positions other than permanent	870	934	966
Other personnel compensation	707	678	591
Add excess of leave earned over leave taken	107		
Total personnel compensation	22,749	26,288	27,701

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits	1,529	1,855	1,936
21 Travel and transportation of persons	808	838	939
22 Transportation of things	174	183	222
23 Rent, communications, and utilities	2,107	2,359	3,206
24 Printing and reproduction	254	330	370
25 Other services	2,000	3,802	5,843
26 Supplies and materials	2,981	3,425	3,785
31 Equipment	3,574	4,433	6,009
32 Lands and structures	96	660	404
42 Insurance claims and indemnities	1		
Subtotal	36,273	44,173	50,415
Deduct quarters and subsistence charges	4	4	4
Total costs	36,269	44,169	50,411
Costs financed from obligations of other years, net (-)			-750
Obligations incurred for costs of other years, net	735	4,089	
Total obligations	37,004	48,258	49,661

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	3,662	3,980	4,200
Full-time equivalent of other positions	160	168	175
Average number of all employees	3,231	3,536	3,697
Number of employees at end of year	3,636	3,705	3,930
Average GS grade	8.2	8.2	8.3
Average GS salary	\$6,720	\$7,153	\$7,169
Average salary of ungraded positions	\$5,348	\$5,615	\$5,615

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Scientific services for the Department of Commerce (total costs—obligations) (object class 25)	3	3	3
Financing:			
Unobligated balance brought forward	11	8	5
Unobligated balance carried forward	-8	-5	-2
Total financing	3	3	3

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); purchase of upper air supplies for delivery through December 31, of the next fiscal year; and not to exceed \$10,000 for maintenance of a printing office in the city of Washington, as authorized by law; [\$46,042,900: 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, without regard to the Classification Act of 1949, as amended.] \$55,615,000.

For an additional amount for "Salaries and expenses", \$185,000: *Provided*, That appropriations granted under this head for the fiscal year 1961 shall be available for compensation to employees conducting meteorological investigations in the Arctic region and to employees of other agencies as authorized by the Act of March 28, 1960 (74 Stat. 11). (15 U.S.C. 311-313, 325-328, 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Note.—Includes \$936 thousand for activities previously carried under "Operation and maintenance, Navy," and "Operation and maintenance, Air Force." The amounts obligated in 1960 and 1961 are shown in this schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Weather measurements and forecasts	38,156	42,742	48,026
2. River and flood forecasts and warnings	1,321	1,409	1,565
3. Climatology	2,224	2,419	2,572
4. Administration	2,728	3,153	3,452
Total obligations	44,429	49,723	55,615
Financing:			
Comparative transfers from (—) or to other accounts	3,946	—922	
Unobligated balance lapsing	480		
New obligational authority	48,855	48,801	55,615
New obligational authority:			
Appropriation	48,855	46,228	55,615
Proposed supplemental due to pay increases		2,573	

The Weather Bureau measures, records, reports, forecasts, and distributes information on weather conditions and river stages for the benefit of U.S. commerce, industry, agriculture, and the general public.

1. *Weather measurements and forecasts.*—Regularly scheduled forecasts are issued for U.S. territory and waters with special emphasis on severe storms. Special forecast 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 weather measurements are taken at several hundred locations to serve forecasting requirements. Current weather information is disseminated widely for the benefit of aviation and other interests.

Expansion of the Bureau's observation and service facilities is designed to keep pace with more exacting air-traffic control requirements as well as to advance general weather services. The increase for 1962 provides for (a) transfer of numerical weather predictions from the Department of Defense, (b) improvements in the upper-air observing program, (c) establishment of quality control program for distribution of aviation weather information, and (d) operational utilization of data from meteorological satellites.

2. *River and flood forecasts and warnings.*—The hydrologic service furnishes flood warnings and public forecasts of river height and flow on the country's principal rivers and their tributaries. The estimate provides for a modernized river forecast center for the west gulf and Rio Grande River basins.

3. *Climatology.*—The climatological service seeks to determine and record the various types of climate, to explain the causes of these climates, their variation, trends, geographical locations, and the effect climate has on the economy of the Nation, and to communicate this intel-

ligence in such a manner as to insure the fullest realization of its potential benefits. The increase for 1962 provides for the decennial climatological census.

4. *Administration.*—This activity provides executive direction and administrative support to the three appropriations: Salaries and expenses, Research and development, and Establishment of meteorological facilities.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	27,432	31,839	33,261
Positions other than permanent	364	283	307
Other personnel compensation	2,625	2,582	2,698
Total personnel compensation	30,421	34,704	36,266
12 Personnel benefits	1,907	2,465	2,577
21 Travel and transportation of persons	831	765	982
22 Transportation of things	993	1,162	1,636
23 Rent, communications, and utilities	4,565	5,461	6,013
24 Printing and reproduction	73	179	206
25 Other services	916	804	867
Services of other agencies	52	55	55
26 Supplies and materials	3,905	3,641	5,595
31 Equipment	809	527	1,458
32 Lands and structures	9	12	12
Subtotal	44,481	49,775	55,667
Deduct quarters and subsistence charges	52	52	52
Total obligations	44,429	49,723	55,615

Personnel Summary

Total number of permanent positions	4,862	4,922	5,261
Full-time equivalent of other positions	91	71	77
Average number of all employees	4,446	4,732	4,938
Number of employees at end of year	6,502	5,024	5,377
Average GS grade	8.2	8.2	8.2
Average GS salary	\$6,260	\$6,775	\$6,833

RESEARCH AND DEVELOPMENT

For expenses necessary for the conduct of research by the Weather Bureau, including development and service testing of equipment; operation and maintenance of aircraft [including the transfer from the Department of Defense, without payment therefor, of one 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 for acquisition, establishment, and relocation of research facilities and related equipment; [\$6,262,500] \$9,000,000, to remain available until June 30, 1964. (15 U.S.C. 313; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Note.—Includes \$2,200 thousand for activities previously carried under "National Aeronautics and Space Administration." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Meteorological:			
(a) Hurricane, tornado, and other severe storms	2,463	3,789	3,182
(b) Atmospheric processes and forecasting methods	1,410	1,623	1,903
(c) Aviation		577	577
(d) Satellite	637	1,172	2,200
(e) Instrumental	450	617	618
2. Hydrologic	195	208	208
3. Climatic	278	312	312
Total obligations	5,433	8,298	9,000

WEATHER BUREAU—Continued

Current authorizations—Continued

RESEARCH AND DEVELOPMENT—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers from (—) other accounts.....	-5,433	-1,852	-----
New obligational authority.....		6,446	9,000
New obligational authority:			
Appropriation.....		6,262	9,000
Proposed supplemental due to pay increases.....		184	-----

Research is conducted to increase fundamental knowledge of the science of meteorology and in order to improve the accuracy and timeliness of weather forecasts; the development program is concerned with new instrumentation and procedures, including related activities of test and evaluation.

1. *Meteorological*—Covers: (a) *Hurricane, tornado, and other severe storms*.—To discover why and where these storms will form, when they will intensify, and how they will move so as to provide improved warnings to the public. (b) *Atmospheric processes and forecasting methods*.—Research on fundamental meteorological problems such as the physical basis for the global circulation of the atmosphere, the physics of clouds and precipitation, and short- and long-range weather forecasting. (c) *Aviation*.—A program of research and development to improve terminal and enroute weather forecasts and warnings for civil and military aviation operations. (d) *Satellite*.—Development of instrumentation for meteorological satellites and conduct of basic and applied research using data from meteorological satellites. (e) *Instrumental*.—The development and testing of improved instrumentation and automation methods.

The increase in 1962 provides for transfer of meteorological satellite research from National Aeronautics and Space Administration, and for new atmospheric studies.

2. *Hydrologic*.—Efforts are concerned with improving techniques for forecasting river heights and with the utilization of weather radar to permit issuance of flash flood warnings.

3. *Climatic*.—Methods of analysis and presentation of climatic information are developed for application to operational and planning aspects of business, industry, commerce, and agriculture.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,265	2,928	3,105
Positions other than permanent.....	48	38	38
Other personnel compensation.....	90	91	113
Total personnel compensation.....	2,403	3,057	3,256
12 Personnel benefits.....	141	227	240
21 Travel and transportation of persons.....	148	163	179
22 Transportation of things.....	91	82	94
23 Rents, communications, and utilities.....	805	811	949
24 Printing and reproduction.....	28	43	43

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	1,259	2,951	2,910
26 Supplies and materials.....	322	652	660
31 Equipment.....	236	312	668
32 Lands and structures.....		1	1
Total obligations.....	5,433	8,299	9,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	356	419	455
Full-time equivalent of other positions.....	8	6	6
Average number of all employees.....	323	376	402
Number of employees at end of year.....	316	391	427
Average GS grade.....	8.2	8.2	8.2
Average GS salary.....	\$6,260	\$6,755	\$6,833

ESTABLISHMENT OF METEOROLOGICAL FACILITIES

For an additional amount for the acquisition, establishment, and relocation of operational facilities and related equipment, including the alteration and modernization of existing facilities, and for the acquisition of land; \$5,250,000 to remain available until June 30, [1963: Provided, That the appropriations heretofore granted under this head shall be merged with this appropriation] 1964. (15 U.S.C. 311, 313, 313a, 317, 325, 328; 72 Stat. 783; Department of Commerce and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Upper-air observational facilities.....	938	876	451
2. Weather surveillance radar.....	529	553	376
3. Surface observational facilities.....	153	1,952	2,662
4. Construction, remote facilities.....	106	296	216
5. Engineering and technical support.....	183	271	401
Total obligations.....	1,909	3,948	4,106
Financing:			
Comparative transfers to other accounts.....	29	608	-----
Unobligated balance brought forward.....	-920	-1,482	-2,176
Unobligated balance carried forward.....	1,482	2,176	3,320
New obligational authority (appropriation)	2,500	5,250	5,250

The accuracy of weather measurements, forecasts, and warnings is being improved by the procurement and installation of new instrumental equipment and by the modernization of existing facilities. The 1962 estimate is to carry forward the modernization program begun in 1956 to make possible a more accurate aviation weather system and more timely hurricane and tornado warnings.

The cost of operating and maintaining equipment installed under this appropriation is covered by the appropriation "Salaries and expenses."

1. *Upper-air observational facilities*.—Consists of ground installations to continuously track radio transmitters carried to altitudes of 100,000 feet by sounding balloons. It also includes shelters for the equipment and miniaturized equipment for use on shipboard to obtain measurements of high altitude weather conditions over the oceans.

2. *Weather surveillance radar*.—Provides a continuous picture of changing weather conditions up to 250 miles

from the stations, facilitating the preparation of forecasts and increasing the advance-warning time.

3. *Surface observational facilities.*—Modern electronic instruments that provide continuous automatic measurements of cloud height, visibility, temperature, humidity, wind direction and velocity, including computers to convert these data for optimum use in controlling air traffic.

4. *Construction, remote facilities.*—Covers construction of office and housing units at places where these facilities are not available from any other source.

5. *Engineering and technical support.*—Provides staff for planning, site surveys, actual installation and initial calibration of equipment.

The following table lists the major facilities already funded and those budgeted in 1962:

	Funded through 1961	Proposed, 1962
1. Upper-air equipment:		
(a) Land stations.....	65	--
(b) Ocean stations.....	16	8
2. Radar equipment:		
(a) Radars.....	31	--
(b) Microwave links.....	8	2
3. Surface equipment:		
(a) Ceiling and visibility measuring equipment.....	127	51
(b) Runway visual range computers.....	120	51
(c) Automatic meteorological observing stations.....	5	10
(d) River stage and rainfall gages.....	108	42
4. Construction, remote localities: Housing units.....	32	6

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	107	230	239
Other personnel compensation.....		2	6
Total personnel compensation.....	107	232	245
12 Personnel benefits.....	7	17	18
21 Travel and transportation of persons.....	62	22	45
22 Transportation of things.....	59	86	129
23 Rent, communications, and utilities.....	4	--	1
25 Other services.....	333	428	504
26 Supplies and materials.....	157	145	393
31 Equipment.....	985	2,542	2,443
32 Lands and structures.....	195	476	328
Total obligations.....	1,909	3,948	4,106

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	15	27	47
Average number of all employees.....	14	27	42
Number of employees at end of year.....	14	27	47
Average GS grade.....	8.2	8.2	8.2
Average GS salary.....	\$6,260	\$6,775	\$6,833

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Weather measurements and forecasts:			
Atomic Energy Commission.....	257	274	274
Department of Agriculture.....	31	24	24
Department of Defense.....	1,981	2,269	2,269
Department of Health, Education, and Welfare.....	205	229	229
Department of the Interior.....	41	39	39
National Aeronautics and Space Administration.....	53	129	129
National Science Foundation.....	729	823	823
Other agencies.....	44	16	16
Total, weather measurements and forecasts.....	3,341	3,803	3,803
2. Meteorological studies and statistics:			
Atomic Energy Commission.....	338	395	395
Department of Agriculture.....	101	98	98
Department of Defense.....	2,244	2,630	1,724
Department of the Interior.....	11	5	5
Federal Aviation Agency.....	593	561	561
National Aeronautics and Space Administration.....	697	1,341	169
National Science Foundation.....	180	184	184
Other Agencies.....	69	81	81
Total, meteorological studies and statistics.....	4,233	5,295	3,217
3. Miscellaneous services to other Federal and non-Federal accounts:			
Department of Defense.....	423	432	432
Department of Health, Education, and Welfare.....	1	--	--
Federal Aviation Agency.....	78	85	85
National Aeronautics and Space Administration.....	7	6	6
Other agencies.....	33	27	27
Total, miscellaneous services.....	542	550	550
Total obligations.....	8,116	9,648	7,570
Financing:			
Unobligated balance brought forward.....	33	100	--
Advances and reimbursements from—			
Other accounts.....	8,142	9,499	7,521
Non-Federal sources.....	41	49	49
Unobligated balance carried forward.....	-100	--	--
Total financing.....	8,116	9,648	7,570

Note.—Reimbursements from non-Federal sources are derived from the Governments of Chile, Colombia, Cuba, Japan, and Peru (48 U.S.C. 1155).

The Weather Bureau conducts for other agencies special projects in weather measurements and forecasts, and meteorological studies and statistics, including river and rainfall observations, climatological studies and studies of atmospheric pollution, and the procurement of technical equipment.

The estimate reflects the transfer to the Weather Bureau of military support for the joint numerical weather prediction program and certain research and development work on meteorological satellites formerly supported by the National Aeronautics and Space Administration.

WEATHER BUREAU—Continued**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Object Classification (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,024	4,919	4,311
Positions other than permanent.....	104	113	52
Other personnel compensation.....	376	436	365
Total personnel compensation.....	4,504	5,468	4,728
12 Personnel benefits.....	271	375	298
21 Travel and transportation of persons.....	324	364	315
22 Transportation of things.....	89	133	109
23 Rent, communications, and utilities.....	1,066	1,626	704
24 Printing and reproduction.....	20	245	242
25 Other services.....	513	387	336
26 Supplies and materials.....	845	592	528
31 Equipment.....	476	456	308
32 Lands and structures.....	8		
41 Grants, subsidies, and contributions.....		2	2
Total obligations.....	8,116	9,648	7,570

Personnel Summary

Total number of permanent positions.....	996	1,003	895
Full-time equivalent of other positions.....	22	24	12
Average number of all employees.....	792	842	745
Number of employees at end of year.....	2,077	757	765
Average GS grade.....	8.2	8.2	8.2
Average GS salary.....	\$6,260	\$6,775	\$6,833

AREA ASSISTANCE ACTIVITIES**Proposed for later transmission:****AREA ASSISTANCE ACTIVITIES****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Area assistance (total obligations).....			23,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance carried forward.....			60,000
New obligational authority (proposed supplemental appropriation).....			83,000

Under proposed legislation, 1962.—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 re-development in such areas. An appropriation of \$83 million is anticipated for the program of which \$75 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 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]** \$100 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, 1961.*)

[GENERAL PROVISIONS]

[Sec. 401. 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 proposed or pending before 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, 1961.*)

DEPARTMENT OF DEFENSE—MILITARY

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate		
			Enacted	Proposed for later transmission				Total	From new obligational authority	
MILITARY PERSONNEL										
Current authorizations:										
Military personnel, Army	061	3,204,188	3,247,548		3,401,000	3,414,052	3,484,300	3,529,700	3,100,000	
Military personnel, Navy		2,476,700	2,508,244		2,645,000	2,523,074	2,571,700	2,634,300	2,595,000	
Military personnel, Marine Corps		608,600	606,746		620,000	596,098	603,000	616,000	600,000	
Military personnel, Air Force		3,918,000	4,019,676		4,063,000	3,856,522	4,028,000	4,069,000	3,875,000	
Reserve personnel, Army		227,700	233,998		199,000	220,109	223,000	203,000	170,000	
Reserve personnel, Navy		85,000	87,584		84,600	82,334	85,000	82,000	70,000	
Reserve personnel, Marine Corps		24,300	24,831		26,400	24,363	24,500	25,000	23,000	
Reserve personnel, Air Force		54,000	54,000		52,000	51,190	52,000	50,000	42,500	
National Guard personnel, Army		234,961	230,277		202,000	232,291	229,000	208,000	172,000	
National Guard personnel, Air Force		48,000	46,000		47,000	43,502	46,000	46,000	38,590	
Retired pay, Department of Defense		715,000	775,000		895,000	694,241	775,000	895,000	888,000	
Proposed for later transmission (other than pay increase supplementals):										
Under existing legislation:										
Military personnel, Army				7,000			6,700	300		
Military personnel, Navy				15,000			14,300	700		
Under proposed legislation: Retired pay, Department of Defense										
				31,000			30,555	30,555		
Total, military personnel		11,596,449	11,833,904	22,000	12,266,000	11,737,775	12,142,500	12,389,555	11,604,645	
OPERATIONS AND MAINTENANCE										
Current authorizations:										
Operation and maintenance, Army	061	3,075,596	3,116,072	67,800	3,257,000	3,093,356	3,130,370	3,222,770	2,675,470	
Operation and maintenance, Navy		2,610,610	2,518,226	41,500	2,624,000	2,591,373	2,530,100	2,586,000	2,164,000	
Operation and maintenance, Marine Corps		175,850	174,686	2,039	179,000	168,658	175,000	177,000	154,000	
Operation and maintenance, Air Force		4,193,932	4,242,587	65,700	4,340,000	4,116,396	4,257,600	4,283,000	3,503,250	
Operation and maintenance, Army National Guard		151,700	162,001	4,315	171,300	148,657	162,000	170,000	149,000	
Operation and maintenance, Air National Guard		169,000	187,291	2,190	193,400	180,202	182,000	191,000	173,100	
National Board for the Promotion of Rifle Practice, Army		300	501		500	333	500	500	440	
Operation and maintenance, Alaska Communication System, Army		6,371	7,000	230	6,300	5,730	7,000	7,000	5,200	
Salaries and expenses, Secretary of Defense		20,500	18,975	875	21,000	19,686	20,000	21,000	17,500	
Contingencies, Department of Defense		15,000	15,000		30,000	104	9,250	30,000	27,000	
Claims, Department of Defense		16,500	16,575		19,000	15,879	17,750	18,000	17,995	
Salaries and expenses, Court of Military Appeals, Department of Defense		425	425		445	385	425	445	400	
Operation and maintenance, Olympic winter games, Department of Defense		800				505	295			
Miscellaneous expired accounts, Army						1,526				
Miscellaneous expired accounts, Navy						1,491	840			
Miscellaneous expired accounts, Air Force					20	50	50			
Miscellaneous expired accounts, Office of the Secretary of Defense					1,788	946				
Proposed for later transmission (other than pay increase supplementals):										
Under existing legislation:										
Operation and maintenance, Army			20,700			18,000	2,700			
Operation and maintenance, Navy			36,900			31,900	5,000			
Operation and maintenance, Air Force			6,300			5,400	900			
Claims, Department of Defense			6,000			5,000	1,000			
Adjustment to reflect comparability with current budget structure		-120,074				-122,702	-154,521	-44,914		
Total, operation and maintenance		10,316,510	10,459,339	254,549	10,841,945	10,223,389	10,399,905	10,671,451	8,887,355	

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
PROCUREMENT									
Current authorizations:									
Procurement of equipment and missiles, Army.....	061	1,407,300	1,495,352		1,803,000	1,604,886	1,410,000	1,643,000	395,000
Procurement of aircraft and missiles, Navy.....			2,141,760		2,000,000		240,000	1,070,000	300,000
Shipbuilding and conversion, Navy.....			2,245,590		1,825,000	1,362,953	1,770,000	1,775,000	145,000
Other procurement, Navy.....			424,480		625,000		72,000	346,000	150,000
Procurement, Marine Corps.....			133,850	91,180		140,000	139,496	155,000	161,000
Aircraft procurement, Air Force.....			4,284,600	3,251,449		3,040,000	560,283	2,780,000	3,761,000
Airlift modernization, Air Force.....				310,788		157,000		30,000	156,000
Missile procurement, Air Force.....			2,465,550	2,615,120		2,811,000	1,149,745	2,340,000	2,860,000
Other procurement, Air Force.....			1,109,650	877,171		977,000	175,616	615,000	866,000
Aircraft and related procurement, Navy.....			1,961,644				2,027,098	1,760,000	1,070,000
Procurement of ordnance and ammunition, Navy.....			583,219				290,342	430,000	150,000
Aircraft, missiles, and related procurement (Air Force).....							5,317,841	1,725,000	350,000
Procurement other than aircraft and missiles (Air Force).....						1,559,232	640,000	215,000	
Adjustment to reflect comparability with current budget structure.....			-171,418				124,743	-213,818	-51,311
Total, procurement.....		13,105,095	13,452,890		13,378,000	14,312,234	13,753,182	14,371,689	3,638,600
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION									
Current authorizations:									
Research, development, test, and evaluation, Army.....	061	1,074,128	1,083,286	12,000	1,130,400	705,079	939,000	1,071,000	514,000
Research, development, test, and evaluation, Navy.....			1,066,524	1,299,419		1,267,000	766,532	1,120,000	1,249,000
Research, development, test, and evaluation, Air Force.....			1,448,850	1,559,113		1,637,000	1,089,295	1,391,000	1,618,000
Salaries and expenses, Advanced Research Projects Agency, Department of Defense.....			329,620	166,000		165,000	313,674	290,000	204,000
Emergency fund, Department of Defense.....			5,288	140,725		150,000		39,334	150,000
Adjustment to reflect comparability with current budget structure.....			291,492				857,034	368,339	96,225
Total, research, development, test, and evaluation.....		4,215,902	4,248,543	12,000	4,349,400	3,731,614	4,147,673	4,388,225	2,101,000
MILITARY CONSTRUCTION									
Current authorizations:									
Military construction, Army.....	061	263,632	148,407		210,000	247,041	222,150	190,180	48,000
Military construction, Navy.....			204,112	162,519		194,000	276,833	231,000	185,000
Military construction, Air Force.....			783,832	609,501		521,000	999,132	813,000	858,000
Military construction, Army Reserve.....			20,000	16,038		13,000	18,562	16,000	16,000
Military construction, Naval Reserve.....			8,980	4,000		7,000	10,374	8,000	8,500
Military construction, Air Force Reserve.....			4,000	4,000		4,000	230	4,000	4,000
Military construction, Army National Guard.....			23,219	17,540		12,000	14,884	17,000	19,000
Military construction, Air National Guard.....			16,440	13,850		14,000	12,294	15,000	16,000
Loran stations, Department of Defense.....			23,200	19,000		10,000	23,200	19,000	10,000
Military construction, Advanced Research Projects Agency, Department of Defense.....			16,545				14,624	15,000	12,000
Construction, Alaska Communications System, Army.....							7	150	20
Military construction, foreign countries, Department of Defense.....							7,660	8,000	8,000
Olympic winter games, Department of Defense.....							790		
Total, military construction.....			1,363,961	994,855		985,000	1,625,633	1,368,300	1,326,700

¹ To carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate		
			Enacted	Proposed for later transmission				Total	From new obligational authority	
REVOLVING AND MANAGEMENT FUNDS										
Public enterprise funds:										
Acquisition, rehabilitation, and rental of Wherry Act housing, Department of Defense: Permanent reappropriation.....	061	30,000	30,000	-----	20,000	22,796	30,000	35,000	-----	
Defense housing, Army.....		-----	-----	-----	-----	-137	-170	-170	-----	
Defense housing, Navy.....		-----	-----	-----	-----	-248	-169	-185	-----	
Laundry service, Naval Academy.....		-----	-----	-----	-----	-31	22	6	-----	
Intragovernmental funds:										
Army stock fund.....		-----	-----	-----	-----	-314,254	-250,000	-210,000	-----	
Navy stock fund.....		-----	-----	-----	-----	-54,695	-75,000	-35,000	-----	
Marine Corps stock fund.....		-----	-----	-----	-----	-4,210	-5,000	-5,000	-----	
Air Force stock fund.....		-----	-----	-----	-----	-35,373	-21,000	-----	-----	
Army industrial fund.....		-----	-----	-----	-----	7,130	-----	-----	-----	
Navy industrial fund.....		-----	-----	-----	-----	-14,473	10,000	-15,000	-----	
Air Force industrial fund.....		-----	-----	-----	-----	-10,443	-14,216	-----	-----	
Army management fund.....		-----	-----	-----	-----	-10,065	-----	-----	-----	
Navy management fund.....	-----	-----	-----	-----	855,015	10,807	-9,321	-----		
Air Force management fund.....	-----	-----	-----	-----	568	1,116	-----	-----		
Naval working fund.....	-----	-----	-----	-----	-825	2,000	2,000	-----		
Consolidated working funds, Army.....	-----	-----	-----	-----	2,517	-----	-----	-----		
Consolidated working funds, Air Force.....	-----	-----	-----	-----	-59	50	50	-----		
Adjustment to reflect comparability with current budget structure.....	-----	-----	-----	-----	-859,075	-----	-----	-----		
Total, revolving and management funds.....	-----	30,000	30,000	-----	20,000	-415,863	-311,560	-237,620	-----	
Total, military functions.....	-----	40,627,918	41,019,531	288,549	41,840,345	41,214,782	41,500,000	42,910,000	26,387,300	
MILITARY ASSISTANCE										
Current authorizations:										
Military assistance:										
Military assistance orders.....	062	829,199	992,000	-----	1,000,000	1,035,644	1,088,000	1,054,600	200,000	
Other.....		502,048	808,000	-----	800,000	599,718	642,000	715,400	300,000	
Repayment of credit sales.....		-----	-----	-----	-----	-25,969	-30,000	-20,000	-----	
Total, military assistance.....	-----	1,331,247	1,800,000	-----	1,800,000	1,609,392	1,700,000	1,750,000	500,000	
Total new obligational authority and budget expenditures.....	-----	41,959,165	42,819,531	288,549	43,640,345	42,824,174	43,200,000	44,660,000	26,887,300	
RECAPITULATION										
Enacted or recommended in this document:										
Current authorizations:										
Appropriations.....	-----	41,929,165	42,789,531	-----	43,589,345	42,824,174	42,929,965	44,610,930	26,856,745	
Permanent authorizations:	-----	-----	-----	-----	-----					
Reappropriations.....	-----	30,000	30,000	-----	20,000	-----	-----	-----	-----	
Proposed for later transmission:										
Pay increase supplemental appropriations.....	-----	-----	196,649	-----	-----	-----	188,735	7,915	-----	
Other: Appropriations.....	-----	-----	91,900	-----	31,000	-----	81,300	41,155	30,555	
Total new obligational authority and budget expenditures.....	-----	41,959,165	43,108,080	43,640,345	43,640,345	42,824,174	43,200,000	44,660,000	26,887,300	

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
Acquisition, rehabilitation, and rental of Wherry Act housing, Department of Defense.....	061	80,472	100,000	100,000	57,676	70,000	65,000	22,796	30,000	35,000
Defense housing, Army.....		519	460	430	657	630	600	-137	-170	-170
Defense housing, Navy.....		1,128	1,131	1,100	1,376	1,300	1,285	-248	-169	-185
Laundry service, Naval Academy.....		571	612	606	603	590	600	-31	22	6
Total, public enterprise funds.....		82,690	102,203	102,136	60,312	72,520	67,485	22,380	29,683	34,651

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
MILITARY FUNCTIONS								
Enacted or recommended in this document:								
Appropriations:								
Military personnel, Army.....		1 240,288		2 287,287		310,535		306,835
Military personnel, Navy.....		47,279		87,182		98,726		109,426
Military personnel, Marine Corps.....	51	23,963	5	22,467		25,379		29,278
Military personnel, Air Force.....		3 113,559		4 213,118		227,302		246,302
National Guard personnel, Army.....		56,986		36,726		38,003		32,003
National Guard personnel, Air Force.....		53,700		7,808		7,808		8,808
Other military personnel appropriations.....		72,025		71,917		70,642		72,642
Operation and maintenance, Army.....	119,217	846,382	74,243	705,929	69,443	754,631	33,043	752,461
Operation and maintenance, Navy.....	16,413	5 615,293	16,919	6 591,558		606,043		641,592
Operation and maintenance, Marine Corps.....	7,517	44,656	4,366	40,276		32,696		34,306
Operation and maintenance, Air Force.....	7 4,595	925,675	8 4,244	865,579		924,789		972,789
Operation and maintenance, Alaska Communication System, Army.....	621	1,256		1,677		1,907		1,207
Other operation and maintenance appropriations.....		16,770		51,168		63,347		67,997
Procurement of equipment and missiles, Army.....	503,535	2,635,034	649,229	2,325,292	287,896	2,403,644	201,896	2,363,644
Procurement of aircraft and missiles, Navy.....					694,715	2,176,015	630,715	3,096,015
Shipbuilding and conversion, Navy.....	1,100,634	3,775,731	805,815	3,744,716	1,138,322	4,225,039	869,322	4,245,039
Other procurement, Navy.....					39,199	457,799	25,599	706,454
Procurement, Marine Corps.....	157,220	448,216	116,924	439,750	65,339	370,365	46,339	347,365
Aircraft procurement, Air Force.....			1,558,441	3,884,177	1,117,563	4,868,793	757,563	3,976,793
Airlift modernization, Air Force.....					145,788	284,988	42,788	282,988
Missile procurement, Air Force.....			378,302	1,503,669	683,039	2,391,817	590,639	2,247,817
Other procurement, Air Force.....			399,938	970,567	326,864	1,348,493	276,864	1,407,493
Aircraft and related procurement, Navy.....	1,444,259	4,046,583	1,426,767	3,922,823	387,912	1,855,468	137,912	765,155
Procurement of ordnance and ammunition, Navy.....	81,512	449,842	105,816	759,723	27,586	317,693		152,693
Aircraft, missiles, and related procurement (Air Force).....	2,182,323	9,238,318	1,420,074	3,629,917	25,874	571,479		221,479
Procurement other than aircraft and missiles (Air Force).....	707,675	2,989,099	231,264	1,255,594	28,631	413,530		198,530
Research, development, test, and evaluation, Army.....	57,442	360,390	101,450	739,442	37,736	895,728	37,736	955,128
Research, development, test, and evaluation, Navy.....	44,975	378,990	82,859	683,416	26,278	862,835	40,278	880,835
Research, development, test, and evaluation, Air Force.....	85,532	457,632	233,651	866,062	210,064	1,212,475	180,064	1,231,475
Salaries and expenses, Advanced Research Projects Agency, Department of Defense.....	112,146	299,230	122,741	311,176	38,741	187,176	38,741	148,176
Emergency fund, Department of Defense.....						101,390		101,390
Military construction, Army.....	105,064	324,162	138,445	340,753	97,852	267,010	90,852	286,830
Military construction, Navy.....	109,685	451,589	88,466	378,869	70,985	310,388	72,985	319,388
Military construction, Air Force.....	633,895	1,585,266	619,114	1,369,966	377,615	1,166,467	222,615	829,467
Military construction, Army Reserve.....	5,105	38,924	9,183	23,233	9,221	23,271	4,221	20,271
Military construction, Naval Reserve.....	9,645	17,279	9,489	15,885	3,489	11,885	1,489	10,385
Military construction, Air Force Reserve.....			1,363	3,770	363	3,770	363	3,770
Military construction, Army National Guard.....	6,961	6,961	13,551	32,430	11,091	32,970	5,091	25,970
Military construction, Air National Guard.....			5,030	16,425	2,880	15,275	1,880	13,275
Construction, Alaska Communication System, Army.....	615	615	458	608	437	458	437	438
Military construction, Advanced Research Projects Agency, Department of Defense.....	15,968	25,162	19,363	27,083		12,083		83
Other military construction appropriations.....		43,600		35,150		27,150		19,150
Undistributed 1962 military assistance fund reservations.....							800,000	800,000
Subtotal.....	7,512,603	30,630,458	8,637,508	30,263,184	5,924,923	29,977,261	5,109,431	28,933,142
Balances of anticipated pay increase supplementals included above.....						-7,915		
Total, appropriations.....	7,512,603	30,630,458	8,637,508	30,263,184	5,924,923	29,969,346	5,109,431	28,933,142

See footnotes at end of table p. 481.

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
MILITARY FUNCTIONS—Continued								
Enacted or recommended in this document—Continued								
Revolving and management funds:								
Acquisition, rehabilitation and rental of Wherry Act housing, Department of Defense: Permanent reappropriation	103,254	131,899	101,464	139,103	81,464	139,103	66,464	124,103
Defense housing, Army	372	430	73	117	43	87	63	107
Defense housing, Navy	248	426	385	524	254	393	239	378
Laundry service, Naval Academy	41	72	31	103	9	81	3	75
Army stock fund	625,335	744,603	589,077	789,657	527,381	786,257	500,703	733,357
Navy stock fund	34,798	256,744	22,378	233,378	3,692	241,091	29,592	257,091
Marine Corps stock fund	14,323	44,139	-2,372	23,848	2,534	28,054	14,234	32,654
Air Force stock fund	144,134	291,351	187,388	275,655	148,830	273,221	111,730	228,221
Army industrial fund	440,583	191,730	448,363	179,959	417,837	180,159	382,649	179,859
Navy industrial fund	779,730	133,503	818,122	147,976	753,800	137,976	800,358	152,976
Air Force industrial fund	73,197	42,726	67,211	41,557	66,061	53,956	66,053	53,956
Army management fund	1,073	-3,134	1,852	6,931	1,000	6,931	1,000	6,931
Navy management fund	199,711	960,587	220,777	105,460	63,412	94,653	65,444	103,974
Air Force management fund	1,447	6,964	1,296	5,207	1,000	4,029	1,000	4,029
Naval working fund	7,890	12,088	6,607	12,913	5,607	10,913	5,607	8,913
Consolidated working funds, Army	2,602	5,905	1,755	3,362	337	3,358	202	3,358
Consolidated working funds, Air Force		113	15	146		96		46
Total, revolving and management funds	2,428,738	2,820,145	2,464,421	1,965,896	2,073,260	1,960,358	2,045,340	1,890,028
Proposed for later transmission:								
Appropriations, other than pay increase supplementals						10,600		445
Anticipated pay increase supplemental appropriations						7,915		
Total, proposed for later transmission						18,515		445
Total, military functions	9,941,340	33,450,603	11,101,929	32,229,080	7,998,183	31,948,218	7,154,771	30,823,613
MILITARY ASSISTANCE								
Enacted or recommended in this document:								
Appropriations:								
Military assistance orders		90,498		90,437		94,271		94,271
Other	52,060	772,109	50,914	684,324	40,000	880,324	40,000	984,924
Total, military assistance	52,060	812,607	50,914	774,761	40,000	929,595	40,000	1,034,195
Total, Department of Defense—Military	9,993,400	34,263,210	11,152,843	33,003,841	8,038,183	32,877,813	7,194,771	31,857,808

¹ Excludes deficiencies in the Military personnel, Army, 1957 account, in the amount of \$6,890 thousand and in the 1956 account, in the amount of \$6,520 thousand.
² Excludes deficiencies in the Military personnel, Army, 1957 account, in the amount of \$6,254 thousand and in the 1956 account, in the amount of \$6,062 thousand.
³ Excludes deficiencies in the Military personnel, Air Force, 1959 account, in the amount of \$43,265 thousand and in the 1958 account, in the amount of \$15,114 thousand.
⁴ Excludes deficiencies in the Military personnel, Air Force, 1959 account, in the amount of \$40,610 thousand and in the 1958 account, in the amount of \$12,896 thousand.

⁵ Excludes deficiencies in the Medical care, Navy, 1958 account, in the amount of \$8,601 thousand.
⁶ Excludes deficiencies in the Medical care, Navy, 1958 account, in the amount of \$8,587 thousand.
⁷ Excludes unfilled orders of \$8 thousand from other accounts which will become reimbursements in the subsequent year.
⁸ Excludes unfilled orders of \$511 thousand from other accounts which will become reimbursements in the subsequent year.
⁹ Excludes balances of outstanding undelivered military assistance orders reflected as balances under the military functions appropriations.

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	41,959,165	43,108,080	43,640,345
Unobligated balances brought forward, start of year	9,993,400	11,152,843	8,038,183
Transfers of unobligated balances from other agencies, net		-6,300	
Unobligated balances lapsing (-)	-219,838	-25,492	
Capital transfers from revolving funds to receipt accounts (-)	-12,213	-2,317	-350
Unobligated balances carried forward, end of year (-)	-11,152,843	-8,038,183	-7,194,771
Obligations incurred, net	40,567,671	46,188,632	44,483,406
Obligated balances brought forward, start of year	24,269,811	21,850,998	24,839,630
Adjustments of obligated balances in expired accounts	-162,309		
Obligated balances carried forward, end of year (-)	-21,850,998	-24,839,630	-24,663,036
Budget expenditures	42,824,174	43,200,000	44,660,000

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
061 Military functions.....	40,627,918	41,308,080	41,840,345	41,214,782	41,500,000	42,910,000
062 Military assistance.....	1,331,247	1,800,000	1,800,000	1,609,392	1,700,000	1,750,000
Total, Department of Defense—Military.....	41,959,165	43,108,080	43,640,345	42,824,174	43,200,000	44,660,000

This chapter of the 1962 budget includes funds for the military functions of the Department of Defense and for the military assistance portion of the mutual security program. Although the appropriation for military assistance will continue to be made to the President, it is shown with the appropriations for the military functions of the Department of Defense.

SUMMARY OF BUDGET AUTHORIZATIONS AND EXPENDITURES

[In millions of dollars]

Title of appropriation groups	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Military personnel—total ¹	11,596	11,856	12,266	11,738	12,143	12,390
Active Forces ¹	10,207	10,404	10,729	10,390	10,697	10,850
Reserve Forces.....	674	677	611	654	671	614
Retired pay.....	715	775	926	694	775	926
Operation and maintenance.....	10,317	10,714	10,842	10,223	10,400	10,671
Procurement—total.....	13,105	13,453	13,378	14,312	13,753	14,372
Aircraft.....	6,124	5,293	4,896	6,487	5,896	6,095
Missiles.....	3,240	3,520	3,816	3,790	3,898	4,005
Ships.....	1,140	2,246	1,825	1,744	1,674	1,695
Other.....	2,602	2,394	2,841	2,292	2,286	2,576
Research, development, test, and evaluation.....	4,216	4,261	4,349	3,732	4,148	4,388
Construction—total.....	1,364	995	985	1,626	1,368	1,327
Active Forces.....	1,292	940	935	1,570	1,308	1,263
Reserve Forces.....	72	55	50	56	60	64
Revolving and management funds.....	30	30	20	-416	-312	-238
Total, military functions.....	40,628	41,308	41,840	41,215	41,500	42,910
Military assistance.....	1,331	1,800	1,800	1,609	1,700	1,750
Grand total, Department of Defense—Military.....	41,959	43,108	43,640	42,824	43,200	44,660

¹ Additional obligational authority available by transfer: \$430 million in 1960; \$365.5 million in 1961; \$150 million in 1962.

Military personnel.—Expenditures for Active Forces, Reserve Forces, and retired pay in 1962 are estimated at \$12,390 million, which is \$247 million higher than 1961 and \$652 million higher than 1960.

Active Forces personnel.—Military personnel expenditures for Active Forces in 1962 are estimated at \$10,850 million, which is \$153 million more than 1961 and \$460 million more than 1960. The budget estimate provides for a total strength of 2,492,900 on June 30, 1962, the same as now estimated for June 30, 1961 and 17,675 more than the actual strength on June 30, 1960.

ACTIVE FORCES MILITARY PERSONNEL

[In thousands]

	June 30, 1960	June 30, 1961	June 30, 1962
Total, Department of Defense.....	2,475	2,493	2,493
Army.....	872	870	870
Navy.....	618	625	625
Marine Corps.....	171	175	175
Air Force.....	814	823	823

Average strength in 1962 is estimated at 2,494,748, compared with an average of 2,489,171 in 1961 and 2,487,685 in 1960. The average cost per military man is expected to rise to \$4,361, up from \$4,319 in 1961 and \$4,254 in 1960. Responsible for the increase of \$42 in per capita costs in 1962 are such factors as: (1) higher longevity payments; (2) higher separation costs resulting from the larger personnel turnover anticipated in 1962; and (3) a small increase in the grade structure, both officer and enlisted.

Furthermore, although the number of enlisted personnel receiving proficiency pay during 1962 will be held to the level planned for June 30, 1961, the higher average number participating during 1962 will also increase personnel costs for the fiscal year.

Reserve Forces.—Expenditures for Reserve Forces military personnel in 1962 are estimated at \$614 million, which is \$57 million less than 1961 and \$40 million less than 1960. The decrease in 1962 reflects a 10% reduction in Army Reserve and Army National Guard paid drill training strength from June 30, 1961, to June 30, 1962, to a level considered adequate to meet our national security objectives. Other Reserve components will be maintained during 1962 at about their June 30, 1961, levels. Reservists on paid status at the end of 1962 are

expected to number 1,002,695, compared to 1,068,268 at the end of 1961 and 1,078,589 at the end of 1960.

RESERVE FORCES MILITARY PERSONNEL IN PAID STATUS

[In thousands]

	June 30, 1960	June 30, 1961	June 30, 1962
Army Reserve.....	362	351	321
Paid drill training ¹	301	300	270
Other paid status.....	61	51	51
Army National Guard.....	402	400	360
Navy Reserve.....	133	128	130
Paid drill training ¹	120	124	125
Other paid status.....	12	4	5
Marine Corps Reserve.....	46	47	48
Paid drill training ¹	45	45	46
Other paid status.....	1	2	2
Air Force Reserve.....	65	70	72
Paid drill training ¹	58	62	63
Other paid status.....	7	8	9
Air National Guard.....	71	72	72
Total.....	1,079	1,068	1,003

¹ Includes 3- to 6-month active duty trainees.

The Reserve Forces program in 1962 provides for the maintenance of the high standards of readiness already achieved and for the progressive modernization of the forces. The latter objective includes the provision of more modern equipment as well as a reorientation in mission for some of the Reserve components.

In order to provide the ability to augment immediately the active fleet upon mobilization, the Naval Reserve during 1962 will continue to emphasize the selected Reserve program. Personnel have been assigned and formed into crews for 21 air antisubmarine warfare squadrons, 13 destroyers, and 27 destroyer escorts. In addition, 11 coastal mine warfare ships and 63 logistic support aircraft will be maintained in a state of readiness during 1962.

All elements of the Marine Corps Reserve have been brought into organizational conformity with the combat elements of the Regular Fleet Marine Forces. This, coupled with the steadily increasing level of training conducted under multiple paid drills, is effecting an improvement in the mobilization readiness of the Marine Reserve.

The Air National Guard will continue to shift a portion of its efforts from the air defense role to airlift support in response to the changing needs of the active forces. To this end, the number of operational support squadrons will increase, especially in the transport and tanker categories. However, the Air National Guard will continue to provide a significant air defense and tactical fighter capability during the period. Twenty-two fighter interceptor squadrons contribute pilots and planes which in an active alert status participate daily in missions assigned by the Air Defense Command. State civilian employees who are members of three aircraft control and warning units operate and maintain their stations continuously and provide radar coverage and aircraft control in areas not covered by regular Air Force units.

Similarly, the airlift capability of the Air Force Reserve will also increase during 1962 as some of the C-119 squad-

rons are converted to the larger C-124 transport/cargo aircraft. The troop carrier units will continue to participate with Army airborne troops in training exercises.

The Army reserve components during 1962 will continue to support both combat divisions and separately organized combat and service support units. The training of these units is coordinated closely with the Active Army. In addition, 4,325 State civilian employees who are members of 82 batteries of Army National Guard missile battalions will maintain Nike-Ajax and Nike-Hercules air defense sites on an around-the-clock basis at critical locations throughout the United States.

Retired pay.—Expenditures for retired pay in 1962 are estimated at \$926 million, which is \$151 million more than 1961 and \$232 million more than 1960. Of the increase, \$31 million is associated with proposed legislation which would authorize military personnel retired prior to June 1, 1958, to receive benefits consistent with the higher rates provided by the Military Pay Act of 1958. The balance of the increase results from the large number of annuitants added to the retired rolls. The average number of retired military personnel during 1962 will total 320,000, an increase of 46,000 over 1961 and 76,000 over 1960. This accelerating rise in numbers and cost reflects a trend which is expected to continue well into the next decade as personnel who entered service during World War II become eligible for retirement.

Operation and maintenance.—Expenditures for operation and maintenance of the Active and Reserve Forces in 1962 are estimated at \$10,671 million, which is \$271 million more than 1961 and \$448 million more than 1960.

Civilian man-years, flying hours, steaming hours, numbers of installations and inventories of some major weapons such as aircraft, will continue to decline gradually in 1962 from the levels of the previous 2 years. The numbers of active duty military personnel and active ships are scheduled to remain virtually unchanged during 1962, but missile inventories will increase significantly. Some activities and costs will decline but this will be more than offset by additional costs associated with new systems such as the Ballistic Missile Early Warning System (BMEWS) and by higher unit costs of operating and maintaining the new and more complex weapons which are continually entering the inventories of the military services.

For example, the total cost per flying hour will continue to rise, reflecting the increasing number of higher performance aircraft entering Service inventories. The average cost per flying hour of an F-105 is almost three times that of an F-100. The cost per steaming hour in the Navy rises sharply as the number of larger and more powerful ships and nuclear-powered ships in the fleet increases. A nuclear-powered attack submarine costs considerably more to operate than a conventionally powered attack submarine.

Ship maintenance costs show a like pattern. An overhaul of a nuclear-powered attack submarine costs about twice that of its conventional counterpart. Also, because of their more complicated armament and complex electronics, modern ships are considerably more expensive to maintain.

In addition to the higher unit costs of operating today's equipment, the expansion of certain going programs and the introduction of entirely new types of weapons and equipment all generate further cost increases in 1962.

Tactical missiles, which will enter the operational inventory at an increasingly rapid rate, require new and costly maintenance support. In the area of strategic missiles, the marked increase in the number of operational ICBM sites throughout the country will claim a growing share of operation and maintenance resources. Similarly, activities supporting the Polaris missile firing submarine fleet will require increased funds as additional ships are deployed on station.

The Ballistic Missile Early Warning System (BMEWS), the semiautomatic ground environment (SAGE) surveillance and control system, and other electronic warning, control and communications systems now coming into full operation are causing significant increases in operation and maintenance costs. A substantial increase also results from the stepped up rate of indoctrination flight training in the Air Force for the standby airborne alert capability.

The increased readiness measures ordered by the President will generate additional expenditures in 1962. These measures involve added field training and mobility exercises for the Army's Strategic Army Corps (STRAC) forces and additional ship deployments by the Navy.

The increase in the number of family quarters that will be occupied by military personnel in the United States in 1962 is another factor in the rising cost of operating and maintaining the Defense Establishment.

Procurement.—Expenditures for the procurement of major weapon systems and equipment in 1962 are estimated at \$14,372 million. This is \$619 million more than in 1961 and \$60 million more than in 1960.

The 1962 budget provides new obligational authority for the procurement of 1,420 aircraft, which is 96 less than in 1961 but 30 more than in 1960. Of the total aircraft planned for 1962 procurement, 515 are for the Air Force, 644 are for the Navy and Marine Corps, and 261 are for the Army. Inasmuch as the equipping of the presently approved Strategic Air Command heavy and medium bomber forces will be completed with the aircraft procurement programs funded in 1961, no additional appropriations for the B-52 and B-58 aircraft are requested for 1962. However, development work on the B-70 Mach 3 intercontinental bomber will go forward with the first flight test planned for 1963. The current rate of production of KC-135 jet tankers will be maintained in 1962. These aircraft will further improve the in-flight refueling capability of the Strategic Air Command.

A substantial number of F-105 supersonic all-weather fighter bombers are planned for procurement in 1962. The high performance and wide versatility of this aircraft will provide a major increase in the effectiveness of Air Force tactical squadrons in supporting ground combat operations and in other tactical air missions. Also contributing substantially to the Nation's capability for limited war operations will be the increased procurement of C-130-B turbo-prop transport aircraft.

The development of a new long range cargo transport specifically designed for MATS is being accelerated. This aircraft should also be suitable for procurement by commercial carriers because of its expected low operating ton-mile cost. Another major increment in the modernization of the Air Force's training and support fleet will be undertaken with the procurement of over 200 T-38, T-39, and T-40 jet aircraft.

Naval aircraft procurement in 1962 will be somewhat lower than the level of 1961 but above that of 1960. A significant number of the versatile A4D attack aircraft will be procured as well as an increased quantity of the new A2F low level attack aircraft. A considerable number of supersonic Navy fighters will be purchased—including an increased quantity of all-weather F4H-1's—as well as a variety of short and long range ASW patrol aircraft and four models of helicopters. The Navy, in 1962, will begin the modernization of its air training establishment with the purchase of a small number of T-39 jet utility trainers.

Army aircraft procurement in 1962 will be above that in 1961 and over 50% higher than that in 1960. Included in the 1962 program are the Mohawk combat surveillance aircraft, the Caribou transport, and the Iroquois and Chinook helicopters.

Work on the four main strategic ballistic missile systems will be continued at a high level. Procurement funds required in 1962 for the 13 authorized Atlas squadrons, however, will be considerably less than in previous years as the funding of this earliest ICBM system approaches completion. Funds recommended for Titan, on the other hand, will be above the high level of 1961 and, will largely complete the 14-squadron program. Funding for Minuteman will be sharply increased as this missile moves into the production phase. Procurement funds for the Polaris missile system will be at about the same high level achieved in the present 1961 program. Allowing for the difference in leadtime, Polaris missiles will be purchased in phase with the five submarines planned for construction in 1962. Additional funding will also be provided for the Hound Dog air-to-surface missile for use on the B-52 heavy bombers.

In the air defense area, no new funding will be required for the Bomarc, and 1962 appropriations for the Nike-Hercules surface-to-air missile system will generally complete the financing of this program. However, funds are included for over 1,000 Terrier, Tartar, and Talos surface-to-air missiles for anti-air-warfare to bring Navy inventories in line with the commissioning of guided missile ships. In addition, several thousand Sparrow III, Sidewinder, and Falcon air-to-air missiles will be procured in 1962. Air defense of ground forces in the field will be strengthened by the planned procurement of a considerable number of mobile Hawk and man-carried Redeye surface-to-air missiles.

A wide variety of other missiles for use in support of the ground forces is planned for procurement in 1962. A large number of Bullpup air-to-surface missiles will be purchased to enhance the effectiveness of Air Force fighter bombers and Navy light attack bombers in non-nuclear air operations against enemy ground forces.

Work on the Pershing solid fuel, tactical missile will go forward at a high rate, and procurement funds in 1962 will provide the first significant production quantities of this missile for the equipping of operational units. An appreciable number of Sergeant surface-to-surface tactical missiles for field Army use will also be purchased. Improved Honest John and Little John rockets to be procured in 1962 will largely complete the planned programs for these weapons. A third substantial increment of the Davy Crockett man-carried nuclear rocket will be purchased in 1962, as well as improved guided antitank missiles. All of these weapons will add considerably to the Army's ability to provide close range tactical firepower.

Army modernization, generally, and divisional mobility and firepower, in particular, will be increased with the continued procurement in 1962 of substantial numbers of M-60 tanks, M-113 personnel carriers, M-88 tank recovery vehicles, new self-propelled artillery pieces, and tactical trucks of several types. Production of the new 7.62 mm. M-14 rifle and M-60 machinegun will be continued into 1962 together with increased quantities of ammunition for these and other new weapons.

Funds for electronics procurement in 1962 will be somewhat less than in 1961 and about \$150 million less than in 1960. Army and Navy procurement of tactical electronic and communications equipment in 1962 will be at about the levels of the previous 2 years. Procurement of Air Force command and control communications equipment associated with the ballistic missile systems is also increased. However, overall Air Force electronics procurement will be less than in 1961 since the SAGE system, Distant Early Warning (DEW) line, BMEWS, etc., will be substantially completed with 1961 and prior year funds.

The 1962 shipbuilding program provides for a total of 52 ships—30 new construction and 22 conversions. This ship construction program, costing about \$1.9 billion, is larger than the program underway for 1961 both in dollar value and in the number of ships to be constructed or converted. Included in the 1962 new construction program are the following: 7 guided missile frigates; 3 nuclear-powered attack submarines; 6 escort ships including 3 guided missile types; 1 amphibious assault ship; 2 amphibious transports (dock); 1 combat store ship; 1 fast combat support ship; 3 oceanographic research and survey ships; and 1 hydrofoil research ship. Another 14 World War II-type destroyers will undergo major modernization under that part of the fleet rehabilitation and modernization program funded in the shipbuilding appropriation. By the end of 1962, 36 destroyers will have undergone this modernization and rehabilitation. These are in addition to the less extensive modernizations provided for in the operation and maintenance programs. Six conventionally powered attack submarines, and two other ships, will undergo major conversion in the 1962 program.

The 1962 shipbuilding program will also provide funds for another increment of 5 Polaris fleet ballistic missile submarines. This will increase to 19 the number of Polaris submarines fully funded in 1962 and prior years. Advance procurement of long leadtime components for an additional 5 Polaris submarines will also be provided in 1962.

Research, development, test, and evaluation (RDT&E).—Expenditures for basic and applied research and for the development, test, and evaluation of new and improved weapons and equipment under this title are estimated at \$4,388 million in 1962. This is \$240 million more than in 1961 and \$656 million more than in 1960.

Under the rearrangement of the Defense budget adopted in 1960, funds for the development, test, and evaluation of major weapons systems and components, which were previously carried in the procurement accounts, were largely transferred to this title. In this budget, such transfers are virtually complete, except for funds for the development, test, and evaluation of Air Force ballistic missiles, the B-70, the new cargo aircraft for the Military Air Transport Service, and the completion of development of certain Navy aircraft which remain in the procurement accounts separately identified.

Aircraft development in 1962—in line with the declining emphasis on manned aircraft—will be slightly lower than in 1961. Funds are provided for the development of a new vertical takeoff and landing transport aircraft prototype, to be developed jointly by the military departments. The Army will initiate development of a new surveillance aircraft, and the Air Force will continue to support its part of the aircraft nuclear propulsion program conducted jointly with the Atomic Energy Commission. The latter project can now be carried at a lower funding level than was programed in previous years, as work is to be continued on one propulsion system. Funding for the Dynasoar, a boost-glide rocket vehicle, designed to explore the fringes of space in suborbital flight, will be at a somewhat higher level than in 1961.

The development of missiles and related equipment continues to constitute a major portion of the total RDT&E effort. Funds devoted to this area in 1962, however, will be somewhat less than in 1961, as the largest portion of the early development effort on ballistic missiles of all kinds approaches completion. However, funds will be provided at about the 1961 level to continue important work related to missiles and on devices and techniques to enable ballistic missiles to penetrate possible enemy defenses.

About one quarter of a billion dollars will be provided to continue the development and testing program for the Nike-Zeus anti-missile missile, culminating in full-scale system tests in the summer of 1962. Substantial funds will be devoted in 1962 to the continued development of the solid fuel, tactical missile Pershing. Work will go forward on a new, highly mobile surface-to-surface missile to support battle groups in the combat area, as well as on Mauler, a surface-to-air missile for air defense of the forces in the field.

Substantial funds will continue to be provided for the development of the Polaris missile, including the longer range A-3 version. These developments will enable the Polaris submarines to be deployed with greater flexibility. Development work will also continue on the long-range, air-launched ballistic missile Skybolt and further development effort will be devoted to the air-to-surface tactical support missile Bullpup.

Military space and satellite development activities are rapidly rising in importance and in 1962 will rank as one of the largest categories within the RDT&E title. Substantial funds are provided for development of Midas and Samos early warning and reconnaissance satellites; for Advent, an instantaneous repeater communications satellite system; and for Transit, the navigation satellite.

Development effort on Shillelagh, a short-range combat vehicle mounted weapon system primarily useful against enemy personnel and tanks will be emphasized and further work will be done on the nuclear-capable Davy Crockett system. A wide variety of other projects will also be supported, including airborne assault vehicles, biological and chemical warfare techniques, strategic and tactical control and communications systems, and fleet air defense.

In 1962 a large and diversified program of research on antisubmarine warfare will be carried forward. A large number of antisubmarine warfare developments, including surveillance systems and continued work on antisubmarine weapons such as the Subroc will be supported.

Fundamental research will be continued at a somewhat higher level than that achieved in earlier years. Extensive work in electronics, materials research, oceanography, and other basic and general applied research will be undertaken in 1962.

As in past years, \$150 million is included for the Department of Defense Emergency Fund. These funds will permit rapid exploitation of scientific breakthroughs and unanticipated technological developments which may occur during the coming year.

Military construction.—Expenditures for military construction in 1962 are estimated at \$1,327 million, which is \$41 million less than 1961 and \$299 million less than 1960. Construction of Strategic Air Command dispersal bases and alert facilities, and basic air defense installations will be virtually completed. However, decreases in these areas are partially offset by increases for missile base construction.

Funds to complete work on Atlas ICBM bases were provided last year. The 1962 budget provides for further Titan and Minuteman base construction. It also includes funds for additional base construction to support the Polaris submarine fleet, including expanded training facilities required for this program. Funds for the improvement of radar systems associated with the Nike-Hercules air defense system in this country and overseas and control facilities for Hawk air defense missiles overseas are also provided.

Other important projects include: Additional construction of test facilities for the Nike-Zeus antimissile development program; support facilities for ground equipment for military space projects including Midas and Samos earth satellites; additional construction of facilities for the worldwide communications system; and the first portion of the Atlantic Underwater Test and Evaluation Center.

The existing physical plant, including aviation, waterfront, medical, and maintenance facilities will also be improved and modernized. Construction at overseas bases will be held to the minimum necessary for combat and training effectiveness. No provision is made for further family housing or dependent community facilities in foreign countries.

Reserve construction expenditures are estimated at \$64 million, slightly above the level of 1961 and 1960. This program will complete a substantial amount of the remaining requirements for the replacement and improvement of existing reserve facilities.

Revolving and management funds.—The \$20 million of reappropriations shown under this title for 1962 is the amount to be added to the revolving fund for Wherry housing. These funds will be utilized by the Department to continue in 1962 its program of acquiring and rehabilitating Wherry housing units.

Again this year there will be an excess, estimated at \$238 million, of receipts over expenditures in the Department's revolving and management funds. This excess will serve to reduce the Department's net expenditures for military functions to \$42,910 million.

Composition of the Armed Forces.—For 1962, the budget will provide the following major forces:

	DEPARTMENT OF DEFENSE—SUMMARY OF MAJOR FORCES		
	Actual June 30, 1960	Planned June 30, 1961 June 30, 1962	
Army:			
Divisions.....	14	14	14
Armored cavalry regiments.....	5	5	5
Armored combat commands.....	1	1	1
Brigades (infantry).....	2	2	2
Battle groups (infantry).....	9	9	9
Field artillery missile groups (heavy) (Redstone).....	3	3	3

DEPARTMENT OF DEFENSE—SUMMARY OF MAJOR FORCES—Con

	Actual	Planned	
	June 30, 1960	June 30, 1961	June 30, 1962
Army—Continued			
Army missile commands.....	4	4	4
Army air defense antiaircraft battalions.....	(80¼)	(77¼)	(67¼)
Guided missile battalions (equivalents).....	73¼	76¼	67¼
Other battalions (gun, sky- sweeper, automatic weapons)	6½	1	-----
Separate surface-to-surface mis- sile battalions.....	24	26	29
Active aircraft inventory.....	(5,493)	(5,657)	(5,736)
Helicopters.....	2,633	2,774	2,841
Fixed-wing.....	2,860	2,883	2,895
Navy:			
Commissioned ships in fleet.....	¹ (812)	² (817)	² (817)
Warships.....	376	² 381	² 381
Other.....	436	² 436	² 436
Attack carrier air groups.....	16	² 16	² 16
Carrier antisubmarine air groups..	11	11	11
Patrol and warning squadrons.....	41	38	37
Marine divisions.....	3	3	3
Marine air wings.....	3	3	3
Active aircraft inventory.....	8,863	8,768	8,401
Air Force:			
USAF combat wings.....	(96)	(88)	(84)
Strategic wings.....	40	37	34
Air defense wings.....	23	19	19
Tactical wings.....	33	32	31
USAF combat support flying forces.....	(117)	(111)	(107)
Air refueling squadrons.....	62	65	63
MATS air transport squad- rons.....	22	21	19
Other specialized squadrons.....	33	25	25
Active aircraft inventory.....	18,712	16,941	16,080

¹ The 817 ships originally programmed for this date were not actually achieved until October 1960.

² Does not include temporary upward adjustment associated with the increase in certain operating requirements.

Army.—During 1962, the Army will continue to support 14 divisions and 24 other major combat units, including 5 armored cavalry regiments, 1 armored combat command, 2 infantry brigades, 9 infantry battle groups, 3 field artillery missile groups (heavy) and 4 missile commands, the same force as planned for the end of the current fiscal year. Separately organized surface-to-surface missile battalions will increase in number as new Sergeant and Pershing units are activated.

The Army's 14 divisions will be deployed in the same manner as in 1961, with 7 in critical overseas areas, 1 in Hawaii, and 6 in the continental United States, including 3 divisions in the Strategic Army Corps.

In the area of air defense, the last Active Army antiaircraft gun battalion will be inactivated during 1962. In addition, the program of conversion from Nike-Ajax to the nuclear capable Nike-Hercules surface-to-air missile will be completed as the last Active Army Nike-Ajax battalion is transferred to the Army National Guard. The number of both Hawk and Nike-Hercules battalions will be increased, thus greatly increasing the Army's air defense effectiveness.

Modernization of Army ground forces will continue with large deliveries of the new M-151 jeep, the M-113 armored personnel carrier, and the M-60 tank, scheduled to be made to the troops during 1962. In addition, significant quantities of new tactical missiles such as Sergeant and Little John, and the man-carried close support nuclear rocket Davy Crockett will be placed in the hands of operational units.

The active aircraft inventory will continue to rise during 1962 as additional modern planes, such as the Mohawk and Caribou fixed-wing aircraft and the Iroquois and Chinook helicopters, are delivered.

Navy and Marine Corps.—The Navy will support 817 ships in the Active Fleet during 1962. This is the same level as originally planned for the end of 1961. Because of an increase in certain operating requirements, there has been a temporary upward adjustment in the number of ships during the current year.

The combat capability of the fleet will be markedly increased during the year as several modern ships are received from new construction. Among them will be the first nuclear-powered attack aircraft carrier, *Enterprise*, and the first nuclear-powered cruiser, *Long Beach*, armed with Talos and Terrier anti-air-warfare missiles. Several new guided missile destroyer types will also join the fleet during the year.

The Polaris ballistic-missile-firing submarine force will be augmented by four submarines during 1962, bringing the total commissioned to nine by the end of the year. In addition, three nuclear-powered attack submarines will be commissioned during the year.

The antisubmarine warfare (ASW) forces will also be improved during 1962 by the commissioning of new ships with this capability; by the delivery of older ships newly rehabilitated and modernized for ASW tasks; and by the provision of the latest ASW equipment to the existing forces. Additional numbers of ships will be furnished the latest sonar equipment, the rocket assisted torpedo Asroc, and homing torpedoes of the latest design. Increasing numbers of the new HSS-2 all-weather ASW helicopter and of the S2F-3 carrier-based ASW aircraft will be available for fleet employment. The first fleet deliveries of P3V long range ASW patrol planes will also be made during 1962.

The active aircraft inventory of the Navy will decline in 1962, although the overall effectiveness of the naval air arm will be enhanced by the continued delivery of such modern aircraft as the F4H fighter, the A4D attack bomber and the A3J attack plane.

The composition of the Marine Corps combat forces will remain stable at three reinforced divisions and three air wings during 1962. In addition to those forces based in the United States and capable of immediate deployment anywhere in the world, elements of the Marine Corps will be maintained in the vicinity of certain potential trouble spots overseas. Continued improvement in personnel management and a low turnover pattern will make possible the allocation of a very high proportion of Marine Corps strength to the combat forces and will permit the restoration of all cadre battalion landing teams by early 1962.

The ability of the Corps to conduct amphibious operations will be substantially improved by the commissioning of four new ships capable of carrying both helicopters and landing craft and especially designed for beachhead operations. Combat effectiveness will be improved through the modernization of equipment including the delivery of additional 7.62 mm. weapons, the introduction of the Redeye missile, and the provision of an improved tracked landing vehicle especially configured for mine clearing. In addition, new improved ammunition for mortars, field artillery and antitank weapons will be delivered for troop use.

Marine Corps aviation effectiveness will be raised by the increased deliveries of such conventional aviation weapons as the Zuni rocket and the low drag firebomb; by the activation of a second inflight air-refueling squadron; and by the delivery of A4D attack aircraft and the F4H all-weather interceptor. The vertical lift capability for Marine Corps units will be considerably enhanced by the delivery of additional transport helicopters.

Air Force.—During 1962, the Air Force will continue the modernization of the strategic forces, as the older B-47

medium bomber is progressively retired from service. More than offsetting the overall numerical reduction in strategic aircraft wings, however, will be the much improved effectiveness achieved through the activation of the 14th long-range B-52 bomber wing and the 2d wing of B-58 supersonic medium-range bombers. Perhaps more important will be the very significant increase in strategic capability which will be provided by the rapidly growing operational missile force.

During 1962, the Air Force will continue to have the capability of placing a portion of the heavy bomber fleet on continuous airborne alert, should the need to do so arise. In addition, the ability of the entire strategic bomber force to penetrate enemy defenses will be improved by the provision of the latest electronic countermeasures equipment, Quail decoy missiles, and Hound Dog air-to-surface missiles.

Several more Atlas and the first Titan ICBM units will become operational in 1962. Capable of delivering a thermonuclear warhead over 5,500 nautical miles, these weapons provide a strategic delivery system with a very high penetration capability.

The tactical forces during 1962 will be further modernized by the replacement of some F-100 aircraft with the supersonic, all-weather F-105's and by the introduction of the improved Mace B missile. The F-105's will be deployed both overseas and in the United States, while the tactical missiles will be deployed in Europe and in the Pacific area.

The air defense forces through the 1962 period will be improved through the modification of F-101, F-102, and F-106 aircraft and the increased operational availability of Bomarc surface-to-air missiles. In addition, for warning against ICBM attack, the second of the three long-range radar warning sites of the BMEWS is planned to come into operation.

There will be an overall decrease in the size of the active aircraft inventory during 1962. This numerical reduction, however, will be more than offset in terms of total effectiveness, as more capable aircraft are introduced into the forces and missiles continue to take over manned aircraft missions.

Military assistance.—Military assistance expenditures in 1962 are estimated at \$1,750 million; this compares with \$1,700 million estimated for 1961 and an actual expenditure of \$1,609 million in 1960. Recommended new obligational authority for 1962 is \$1,800 million, the same amount as appropriated for 1961 and \$469 million more than 1960.

Over one-half of the weapons and equipment provided under the 1962 program will contribute to the improvement of Free World forces. The remainder will provide for the maintenance and training of forces which were equipped in past years.

A large portion of the modernization funds will be devoted to advanced aircraft, missiles, electronics, and related ground and shipboard equipment, primarily for NATO and selected Far East countries. Other important items are naval ships and aircraft for antisubmarine warfare, as well as tactical missiles and other equipment for the modernization of ground forces. Funds for the improvement of forces include the U.S. contribution to the NATO program for construction of bases and facilities and for the U.S. share of the cost of joint weapons development and production.

The type and extent of military assistance are determined by the nature of the threat in each area and by the internal capabilities of each recipient country. As their economic

capacity improves, cost-sharing and sales arrangements are being used to apportion the burden more equitably among the more developed nations. Grant aid is concentrated in the less developed areas of the world, primarily in the Middle East and Asia. In conjunction with defense support assistance which is also provided under the Mutual Security Act, this aid helps those countries maintain military establishments required to resist the threats of external aggression and internal subversion.

Summary.—In summary, the 1962 budget for military functions and military assistance provides for the Department of Defense as follows:

New obligational authority.—New obligational authority of \$43,640 million is recommended and, in addition, \$150 million to be derived by transfers from the revolving funds of the Department. For the Army, this includes \$10,406 million and \$125 million to be transferred from the Army stock fund; for the Navy, \$12,237 million; and for the Air Force, \$17,856 million and \$25 million to be transferred from the Air Force stock fund. New obligational authority of \$1,341 million is recommended for the Office of the Secretary of Defense; and \$1,800 million for military assistance.

Direct obligations.—Total direct obligations are estimated at \$45,297 million. These are shown by category, on a comparable basis, in the following table.

DIRECT OBLIGATIONS			
[In millions of dollars]			
	1960 actual	1961 estimate	1962 estimate
Military personnel.....	11,934	12,196	12,416
Operation and maintenance.....	10,243	10,728	10,842
Procurement.....	12,732	15,133	14,641

DIRECT OBLIGATIONS—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Research, development, test, and evaluation.....	3,967	4,667	4,365
Military construction.....	1,350	1,327	1,159
Total, military functions.....	40,225	44,051	43,423
Military assistance.....	1,605	1,896	1,875
Grand total.....	41,831	45,946	45,297

By excluding intragovernmental transactions from the amounts in the preceding table, data can be obtained on obligations which result in the purchase of goods and services from private individuals and businesses. This measure, set forth in the following table, more closely portrays the economic impact of the Department of Defense activity:

OBLIGATIONS TO THE PUBLIC

[Excludes intragovernmental transactions]

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Military personnel.....	11,933	12,195	12,416
Operation and maintenance.....	10,305	10,722	10,830
Procurement.....	12,119	15,340	14,138
Research, development, test, and evaluation.....	3,738	4,667	4,365
Military construction.....	1,346	1,325	1,159
Revolving and management funds.....	-447	74	-280
Total, military functions.....	38,995	44,323	42,628
Military assistance.....	1,573	1,866	1,855
	40,568	46,189	44,483

Net expenditures.—\$44,660 million: Army, \$10,073 million; Navy, \$12,078 million; Air Force, \$19,344 million; the Office of the Secretary of Defense, \$1,415 million; and for military assistance, \$1,750 million.

RECAPITULATION OF BUDGET AUTHORIZATIONS, OBLIGATIONS, AND EXPENDITURES

[In millions of dollars]

Organizational component	New obligational authority			Direct obligations			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Army.....	9,689	9,870	10,406	9,867	10,379	10,594	9,392	9,615	10,073
Navy.....	11,270	12,385	12,237	11,727	12,579	12,802	11,642	11,765	12,078
Air Force.....	18,496	17,865	17,856	17,662	19,831	18,706	19,066	18,890	19,344
Office of the Secretary of Defense.....	1,173	1,189	1,341	969	1,262	1,321	1,115	1,230	1,415
Total, military functions.....	40,628	41,308	41,840	40,225	44,051	43,423	41,215	41,500	42,910
Military assistance.....	1,331	1,800	1,800	1,605	1,896	1,875	1,609	1,700	1,750
Total, Department of Defense—Military.....	41,959	43,108	43,640	41,831	45,946	45,297	42,824	43,200	44,660

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 Reserve components of the defense forces are described under the pertinent appropriations below.

	YEAR-END NUMBER		
	1960 actual	1961 estimate	1962 estimate
Defense total.....	2,475,225	2,492,900	2,492,900
Officers.....	315,933	314,375	312,375
Enlisted.....	2,148,604	2,167,528	2,169,192
Officer candidates.....	10,688	10,997	11,333
Army.....	872,407	870,000	870,000
Officers.....	100,787	100,100	100,100
Enlisted.....	769,890	768,100	768,100
Military Academy cadets.....	1,730	1,800	1,800
Navy.....	617,984	625,000	625,000
Officers.....	69,559	69,375	69,375
Enlisted.....	544,040	549,625	549,625
Naval Academy midshipmen.....	2,658	4,080	4,220
Aviation cadets.....	730	636	708
Other officer candidates.....	997	1,284	1,072
Marine Corps.....	170,621	175,000	175,000
Officers.....	16,203	16,200	16,200
Enlisted.....	154,242	158,503	158,497
Aviation cadets.....	176	297	303
Air Force.....	814,213	822,900	822,900
Officers.....	129,384	128,700	126,700
Enlisted.....	680,432	691,300	692,970
Air Force Academy cadets.....	1,949	2,300	2,530
Aviation cadets.....	2,448	600	700
	AVERAGE NUMBER		
Defense total.....	2,487,685	2,489,171	2,494,748
Officers.....	315,723	314,597	315,330
Enlisted.....	2,159,694	2,162,524	2,167,703
Officer candidates.....	12,268	12,050	11,715
Army.....	870,736	874,025	870,748
Officers.....	100,593	100,321	100,192
Enlisted.....	767,751	771,308	768,156
Military Academy cadets.....	2,392	2,396	2,400
Navy.....	616,920	624,775	625,000
Officers.....	68,591	68,680	69,375
Enlisted.....	542,700	550,247	549,441
Naval Academy midshipmen.....	3,526	3,756	3,953
Aviation cadets.....	962	660	715
Other officer candidates.....	1,141	1,432	1,516
Marine Corps.....	172,579	174,414	175,000
Officers.....	15,990	16,208	16,349
Enlisted.....	156,471	157,927	158,350
Aviation cadets.....	118	279	301
Air Force.....	827,450	815,957	824,000
Officers.....	130,549	129,388	129,414
Enlisted.....	692,772	683,042	691,756
Air Force Academy cadets.....	1,517	1,842	2,174
Aviation cadets.....	2,612	1,685	656

Additional amounts required in 1961 by the Army and Navy to support the average numbers in the above table are shown under Proposed for later transmission.

Provision is made for amounts otherwise available as quarters allowances to be paid (a) to the revolving fund for acquisition, rehabilitation, and rental of Wherry Act housing, in cases where such housing is assigned as public quarters, (b) as mortgage payments on Capehart housing, (c) to the Commodity Credit Corporation in payment for foreign currencies used to construct family housing, and (d) 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 the payment of proficiency pay to 222,226 men June 30, 1961, and June 30, 1962. 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 clothing issues in Korea, and 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, 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 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, [\$3,247,548,000] \$3,401,000,000, and, in addition, [\$260,000,000] \$125,000,000, to be derived by transfer from the Army stock fund: Provided, That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959. (10 U.S.C. 1035, 1475, 3536, 3687, 4561, 4562, 4741; 37 U.S.C. 31a-36, 231-238, 251, 253, 305; 38 U.S.C. 691a-g; 50 U.S.C. App. 2201-2216; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances.....	3,023,195	3,070,052	3,095,272
2. Subsistence in kind.....	187,635	192,859	198,345

MILITARY PERSONNEL—Continued

Current authorizations—Continued

MILITARY PERSONNEL, ARMY—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Direct obligations—Continued			
3. Movements, permanent change of station.....	254,116	239,488	227,000
4. Other costs.....	4,731	5,149	5,383
Total direct obligations.....	3,469,677	3,507,548	3,526,000
Reimbursable obligations:			
1. Pay and allowances.....	18,437	19,948	18,225
2. Subsistence in kind.....	150,085	151,153	146,345
3. Movements, permanent change of station.....	2,496	1,681	212
4. Other costs.....	218	218	218
Total reimbursable obligations.....	171,236	173,000	165,000
Total obligations.....	3,640,913	3,680,548	3,691,000
Financing:			
Unobligated balance transferred from "Army stock fund" (73 Stat. 366; 74 Stat. 338; 1962 appropriation act).....	-281,000	-260,000	-125,000
Advances and reimbursements from—			
Other accounts.....	-59,034	-58,609	-55,429
Non-Federal sources (10 U.S.C. 4621).....	-112,202	-114,391	-109,571
Unobligated balance lapsing.....	15,511		
New obligational authority.....	3,204,188	3,247,548	3,401,000
New obligational authority:			
Appropriation.....	3,233,063	3,247,548	3,401,000
Transferred to "Emergency fund, Department of Defense" (73 Stat. 377).....	-28,875		
Appropriation (adjusted).....	3,204,188	3,247,548	3,401,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	2,247,702	2,278,158	2,301,794
12 Personnel benefits.....	728,899	729,188	727,134
21 Travel and transportation of persons.....	145,657	143,255	140,832
22 Transportation of things.....	85,377	74,048	62,705
25 Other services.....	13,864	15,300	17,167
26 Supplies and materials.....	227,133	238,195	244,537
32 Lands and structures.....	6,878	9,987	10,890
41 Grants, subsidies, and contributions.....	2,177	2,336	2,317
42 Insurance claims and indemnities.....	132	102	102
43 Interest and dividends.....	11,858	16,979	18,522
Total direct obligations.....	3,469,677	3,507,548	3,526,000
Reimbursable obligations:			
11 Personnel compensation: Military.....	4,090	3,904	3,904
12 Personnel benefits.....	964	964	964
21 Travel and transportation of persons.....	2,714	1,899	430
26 Supplies and materials.....	163,362	166,166	159,635
32 Lands and structures.....	36	24	25
41 Grants, subsidies, and contributions.....	4	2	2
43 Interest and dividends.....	66	41	40
Total reimbursable obligations.....	171,236	173,000	165,000
Total obligations.....	3,640,913	3,680,548	3,691,000

MILITARY PERSONNEL, NAVY

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, 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 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, [\$2,508,244,000, and, in addition, \$75,000,000, to be derived by transfer from the Navy stock fund: *Provided*, That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959.] \$2,645,000,000. (10 U.S.C. 5401, 5404, 5406-17, 5441-2, 5444-7, 5449-52, 5454-7, 5501, 5503, 5507, 5531, 5537, 5865, 6081-6, 6147-8, 6157, 6221, 6911-12, 6969; 12 U.S.C. 1715m; 37 U.S.C. 31a-35, 37, 232-44, 251-7, 304-10d; 38 U.S.C. 691, 1011-16; 42 U.S.C. 1594d; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances.....	2,268,981	2,322,729	2,378,900
2. Subsistence in kind.....	139,775	137,711	141,700
3. Movements, permanent change of station.....	137,724	119,644	121,000
4. Other costs.....	2,799	3,160	3,400
Total direct obligations.....	2,549,279	2,583,244	2,645,000
Reimbursable obligations:			
1. Pay and allowances.....	1,379	2,300	2,300
2. Subsistence in kind.....	24,978	30,406	27,650
3. Movements, permanent change of station.....	3	50	50
Total reimbursable obligations.....	26,360	32,756	30,000
Total obligations.....	2,575,639	2,616,000	2,675,000
Financing:			
Unobligated balance transferred from "Navy stock fund" (73 Stat. 366; 74 Stat. 338).....	-75,000	-75,000	
Advances and reimbursements from—			
Other accounts.....	-14,790	-19,698	-17,100
Non-Federal sources (5 U.S.C. 171m-1, 172d, 182d-1; 10 U.S.C. 6086-7).....	-11,570	-13,058	-12,900
Unobligated balance lapsing.....	2,421		
New obligational authority (appropriation).....	2,476,700	2,508,244	2,645,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	1,682,104	1,707,666	1,740,189
12 Personnel benefits.....	585,505	605,333	622,684
21 Travel and transportation of persons.....	64,381	57,672	60,755
22 Transportation of things.....	48,419	40,080	39,679
25 Other services.....	7,849	6,827	7,011
26 Supplies and materials.....	144,386	142,338	145,900
32 Lands and structures.....	11,666	15,041	17,615
42 Insurance claims and indemnities.....	1,640	1,882	1,878
43 Interest and dividends.....	3,329	6,405	9,289
Total direct obligations.....	2,549,279	2,583,244	2,645,000
Reimbursable obligations:			
11 Personnel compensation: Military.....	1,103	1,840	1,840
12 Personnel benefits.....	276	460	460
21 Travel and transportation of persons.....	1	16	16
22 Transportation of things.....	2	34	34
26 Supplies and materials.....	24,978	30,406	27,650
Total reimbursable obligations.....	26,360	32,756	30,000
Total obligations.....	2,575,639	2,616,000	2,675,000

MILITARY PERSONNEL, MARINE CORPS

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, 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 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 one case, [\$606,746,000, and, in addition, \$500,000, to be derived by transfer from the Marine Corps stock fund: *Provided*, That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959.] \$620,000,000. (10 U.S.C. 5402, 5404-5, 5409-11, 5413-17, 5441, 5443, 5445-6, 5448, 5451, 5453-6, 5458, 5502-3, 5531, 5537, 6032, 6081-6, 6147-8, 6157, 6222; 12 U.S.C. 1715m; 37 U.S.C. 31a-35, 37, 232-44, 251-7, 305-7, 309-10d; 42 U.S.C. 1594d; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances.....	525,078	534,011	547,271
2. Subsistence in kind.....	36,455	38,465	38,705
3. Movements, permanent change of station.....	35,765	33,182	33,182
4. Other costs.....	664	842	842
Total direct obligations.....	597,962	606,500	620,000
Reimbursable obligations:			
1. Pay and allowances.....	225	285	285
2. Subsistence in kind.....	6,431	6,095	5,095
3. Movements, permanent change of station.....	66	120	120
Total reimbursable obligations.....	6,722	6,500	5,500
Total obligations.....	604,684	613,000	625,500
Financing:			
Unobligated balance transferred from "Marine Corps stock fund" (73 Stat. 366; 74 Stat. 338).....	-24,000	-500	-----
Unobligated balance brought forward (69 Stat. 438).....	-51	-5	-----
Unobligated military assistance orders transferred to other service accounts.....	-----	5	-----
Advances and reimbursements from—			
Military assistance orders.....	-580	-----	-----
Other accounts.....	-5,189	-5,613	-4,613
Non-Federal sources (10 U.S.C. 6087).....	-1,532	-887	-887
Unobligated balance carried forward (69 Stat. 438).....	5	-----	-----
Unobligated balance lapsing.....	35,263	746	-----
New obligational authority.....	608,600	606,746	620,000
New obligational authority:			
Appropriation.....	620,600	606,746	620,000
Transferred to "Emergency fund, Department of Defense" (73 Stat. 377).....	-12,000	-----	-----
Appropriation (adjusted).....	608,600	606,746	620,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	392,457	401,629	410,675
12 Personnel benefits.....	123,436	124,199	126,122
21 Travel and transportation of persons.....	22,763	19,657	20,053
22 Transportation of things.....	8,150	8,520	8,155
25 Other services.....	3,309	3,241	3,298
26 Supplies and materials.....	45,439	44,854	44,516
32 Lands and structures.....	1,552	3,023	5,514
42 Insurance claims and indemnities.....	390	460	460
43 Interest and dividends.....	466	857	1,207
Total direct obligations.....	597,962	606,500	620,000

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Reimbursable obligations:			
11 Personnel compensation: Military.....	110	130	130
12 Personnel benefits.....	30	34	34
21 Travel and transportation of persons.....	66	120	120
26 Supplies and materials.....	6,516	6,216	5,216
Total reimbursable obligations.....	6,722	6,500	5,500
Total obligations.....	604,684	613,000	625,500

MILITARY PERSONNEL, AIR FORCE

For pay, allowances, individual clothing, subsistence, interest on deposits, gratuities, 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 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 absent without leave, including payment of rewards of not to exceed \$25 in any one case, [\$4,019,676,000] \$4,063,000,000 and, in addition, [\$30,000,000] \$25,000,000 to be derived by transfer from the Air Force stock fund: *Provided*, That no part of these funds shall be available for the pay and allowances of personnel assigned to departmental administration in excess of the number so assigned on December 31, 1959.] (5 U.S.C. 1712-1; 10 U.S.C. 265, 555-65, 683-84, 711-12, 744, 771-74, 858, 972, 1035, 1037, 1071-85, 1475-80, 2632, 8012, 8033-34, 8066, 8071-72, 8201-15, 8217-19, 8251-53, 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, 1014-16, 2201-16, 2351-56; 70A Stat. 638; 74 Stat. 471; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Pay and allowances.....	3,593,421	3,665,570	3,710,677
2. Subsistence in kind.....	94,966	97,764	98,282
3. Movements, permanent change of station.....	271,276	273,091	272,767
4. Other costs.....	5,393	5,759	6,274
Total direct obligations.....	3,965,056	4,042,184	4,088,000
Reimbursable obligations:			
1. Pay and allowances.....	4,647	6,025	6,025
2. Subsistence in kind.....	23,377	24,500	21,500
3. Movements, permanent change of station.....	150	250	250
4. Other costs.....	225	225	225
Total reimbursable obligations.....	28,399	31,000	28,000
Total obligations.....	3,993,455	4,073,184	4,116,000
Financing:			
Unobligated balance transferred from "Air Force stock fund" (73 Stat. 367; 74 Stat. 339, 1962 appropriation act).....	-50,000	-30,000	-25,000
Advances and reimbursements from—			
Other accounts.....	-13,713	-16,797	-13,797
Non-Federal sources (10 U.S.C. 9621).....	-14,686	-14,203	-14,203
Unobligated balance lapsing.....	2,944	7,492	-----
New obligational authority (appropriation).....	3,918,000	4,019,676	4,063,000

MILITARY PERSONNEL—Continued

Current authorizations—Continued

MILITARY PERSONNEL, AIR FORCE—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	2,591,328	2,636,216	2,682,697
12 Personnel benefits.....	950,612	957,175	945,498
21 Travel and transportation of persons.....	139,251	143,346	136,180
22 Transportation of things.....	96,160	90,828	98,847
25 Other services.....	24,651	25,416	26,349
26 Supplies and materials.....	94,407	96,601	97,592
32 Lands and structures.....	45,714	58,330	63,279
41 Grants, subsidies, and contributions.....	36	37	37
42 Insurance claims and indemnities.....	2,645	2,426	2,408
43 Interest and dividends.....	20,252	31,809	35,113
Total direct obligations.....	3,965,056	4,042,184	4,088,000
Reimbursable obligations:			
11 Personnel compensation: Military.....	3,514	4,600	4,600
12 Personnel benefits.....	1,133	1,425	1,425
21 Travel and transportation of persons.....	312	400	400
22 Transportation of things.....	63	75	75
26 Supplies and materials.....	23,377	24,500	21,500
Total reimbursable obligations.....	28,399	31,000	28,000
Total obligations.....	3,993,455	4,073,184	4,116,000

RESERVE PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Army Reserve on active duty while undergoing reserve training, or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps, as authorized by law, [§233,998,000: *Provided*, That \$35,000,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army Reserve at the strength provided for in this Act] \$199,000,000. (10 U.S.C. 600, 683, 2511, 3722, 4385-4387; 37 U.S.C. 253, 301, 305; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel.....	202,551	204,063	185,550
2. Reserve Officers' Training Corps.....	18,239	15,535	13,450
Total direct obligations.....	220,790	219,598	199,000
Reimbursable obligations:			
1. Reserve personnel.....	680	840	640
2. Reserve Officers' Training Corps.....	61	160	160
Total reimbursable obligations.....	741	1,000	800
Total obligations.....	221,532	220,598	199,800
Financing:			
Advances and reimbursements from—			
Other accounts.....	—547	—715	—500
Non-Federal sources ¹	—194	—285	—300
Unobligated balance lapsing.....	6,910	14,400	-----
New obligational authority.....	227,700	233,998	199,000

¹ Reimbursements from non-Federal sources are derived from sale of meals to officers from enlisted messes (10 U.S.C. 4621).

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	231,700	233,998	199,000
Transferred to "Emergency fund, Department of Defense" (73 Stat. 377).....	—4,000	-----	-----
Appropriation (adjusted).....	227,700	233,998	199,000

1. *Reserve personnel.*—This program provides funds for training members of the Army Ready Reserve. Personnel assigned to combat and support units are expected, on the average, to perform 36 two-hour drills, and 12 four-hour drills and, in addition, are required to participate in 15 days of active duty training each year. Although the Army Reserve strength in drill pay status will be reduced to 270,000 at the end of 1962, the program will continue to provide an effective reserve which will be fully adequate to support our national objectives.

In addition, training is provided for individual reservists who have been assigned to fulfill designated early mobilization requirements. Other reservists scheduled for early mobilization as individual reinforcements also receive necessary training. The paid personnel strength is indicated in the following table:

ARMY RESERVE PERSONNEL STRENGTH

[In paid status]

	1959 actual	1960 actual	1961 planned	1962 proposed
End of year:				
Officers.....	77,345	82,086	81,881	83,395
Enlisted.....	272,828	279,711	269,419	237,905
Total.....	350,173	361,797	351,300	321,300
Average:				
Officers.....	79,290	81,456	81,207	82,758
Enlisted.....	257,925	284,795	270,093	251,400
Total.....	337,215	366,251	351,300	334,158

Army Reserve enlisted personnel are obtained either from personnel with prior military service who have an interest or an obligation to train actively in Army Reserve units, or from newly enlisted men participating in the 6-month active duty training program. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
6-month training program.....	21,054	38,032	46,000	20,000
Other prior military service.....	96,646	83,539	81,900	54,300

The composition of the Army Reserve for 1962 by training category is indicated below:

	Paid drills	Paid days of active duty for training	Beginning strength	Average strength	Ending strength
48	15	}	Officers.....	48,344	48,422
			Enlisted.....	221,034	217,702
			Total.....	269,378	266,124
0	90-180	}	Officers.....	2,237	3,036
			Enlisted.....	28,385	13,698
			Total.....	30,622	16,734
Paid drill training subtotal.....	}	Officers.....	50,581	51,458	
		Enlisted.....	249,419	231,400	
		Total.....	300,000	282,858	
0	15	}	Officers.....	31,300	31,300
			Enlisted.....	20,000	20,000
			Total.....	51,300	51,300
Total paid status.....	}	Officers.....	81,881	82,758	
		Enlisted.....	269,419	251,400	
		Total.....	351,300	334,158	

2. *Reserve Officers' Training Corps.*—This program provides training for Reserve officer candidates who have enrolled in the advanced course while attending a collegiate institution. Reserve Officers' Training Corps units providing such training have been established at 233 institutions. The curriculum of the advanced course includes instruction in military and academic subjects together with a 6-week summer camp at an Army post. College graduates, who satisfactorily complete the advanced course, are commissioned and are either ordered to active duty for a 2-year period to meet the requirements of the Active Army or to a 6-month tour of active duty training. When these officers complete their tour of active duty or active duty for training they are assigned to the Ready Reserve, where they participate with a unit of the Army National Guard or Army Reserve, or constitute a pool of individual reinforcement officers.

Utilization of these graduates is summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
2-year active duty tours.....	5,013	6,252	7,500	5,400
6-month active duty training.....	7,440	5,540	4,610	6,754

In addition, 2 years of basic military training are provided for college students who elect or are required by the institution to enroll in the course. Training is also provided for students who elect to enroll at 289 high schools in a junior program.

Details of the program and the average annual enrollment are summarized below:

Course	1959 actual	1960 actual	1961 planned	1962 proposed
Junior division.....	67,331	66,403	60,400	60,400
Senior division:				
First year (basic).....	70,268	74,773	81,200	76,000
Second year (basic).....	44,040	47,732	48,800	55,000
Total basic.....	114,308	122,505	130,000	131,000
Third year (advanced).....	14,372	13,978	13,500	14,000
Fourth year (advanced).....	13,325	12,770	12,200	12,000
Total advanced.....	27,697	26,748	25,700	26,000
Total senior division.....	142,005	149,253	155,700	157,000
Number of students commissioned.....	12,450	11,745	11,200	10,900

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	160,849	158,520	147,282
12 Personnel benefits.....	12,451	13,797	14,075
21 Travel and transportation of persons.....	18,376	20,299	17,906
22 Transportation of things.....	2	2	2
25 Other services.....	305	350	350
26 Supplies and materials.....	28,617	26,500	19,255
42 Insurance claims and indemnities.....	190	130	130
Total direct obligations.....	220,790	219,598	199,000
Reimbursable obligations:			
26 Supplies and materials.....	741	1,000	800
Total obligations.....	221,532	220,598	199,800

RESERVE PERSONNEL, NAVY

For pay, allowances, clothing, subsistence, gratuities, travel, 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 contract enrollees in the Naval Reserve Officers' Training Corps, and retainer pay, as authorized by law, \$87,584,000. (10 U.S.C. 261, 267, 270, 683, 5251, 5456, 6081-6, 6148, 6908; 37 U.S.C. 232-7, 251-3, 255, 301, 305; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel.....	77,957	79,463	78,187
2. Reserve officer candidates.....	6,008	6,121	6,413
Total direct obligations.....	83,965	85,584	84,600
Reimbursable obligations:			
1. Reserve personnel.....	3		
Total obligations.....	83,968	85,584	84,600
Financing:			
Advances and reimbursements from non-Federal sources.....	-3		
Unobligated balance lapsing.....	1,035	2,000	
New obligational authority.....	85,000	87,584	84,600
New obligational authority:			
Appropriation.....	88,000	87,584	84,600
Transferred to "Emergency fund, Department of Defense" (73 Stat. 383).....	-3,000		
Appropriation (adjusted).....	85,000	87,584	84,600

1. *Reserve personnel.*—The program provides funds for training members of the Navy Ready Reserve who will be required for immediate service in the event of mobilization. These reservists will, as individuals, augment existing active fleet and aviation units and fleet support and Shore Establishment activities. Most of these reservists perform forty-eight 3-hour drills and are ordered to 2 weeks of active duty training each year.

Occasional training is also provided for other reservists scheduled for early mobilization to prepare them to meet requirements of active duty.

In addition, antisubmarine and mine warfare units, composed of selected reservists, will join the active forces in the event of mobilization to perform missions required by current war plans. The development of this program is summarized below.

	1959 actual		1960 actual		1961 planned		1962 proposed	
	Units	Men	Units	Men	Units	Men	Units	Men
Fleet antisubmarine warfare.....	34	3,837	40	4,348	40	4,950	40	4,985
Fleet mine warfare.....					11	220	11	220
Aviation antisubmarine warfare.....	84	8,254	84	8,003	84	8,250	84	8,300

These fleet ships or aviation squadrons perform a minimum of forty-eight 4-hour drills each year and are assigned to active fleet units for 2 weeks of active duty for training each year. Six additional drills are provided for anti-submarine warfare units to increase their readiness for immediate mobilization.

The total Reserve personnel program is summarized in the following table.

NAVAL RESERVE PERSONNEL STRENGTH

[In paid status]

	1959 actual	1960 actual	1961 planned	1962 proposed
End of year:				
Officers.....	34,498	37,536	27,980	26,580
Enlisted.....	95,508	95,173	99,683	103,325
Total.....	130,006	132,709	127,663	129,905
Average:				
Officers.....	34,557	36,915	28,924	26,400
Enlisted.....	99,033	92,592	98,373	102,730
Total.....	133,590	129,507	127,297	129,130

MILITARY PERSONNEL—Continued

Current authorizations—Continued

RESERVE PERSONNEL, NAVY—Continued

Navy Ready Reserve personnel are obtained either from personnel with prior military service who have an interest or an obligation to serve in the Ready Reserve or from men without prior service participating in a 6-month active duty training program or who are enlisting for a 2-year period of duty with the active forces. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
6-month training program.....			1,500	1,250
2-year active duty program.....	20,895	20,549	23,500	22,760
Other prior military service.....	40,933	36,299	32,960	31,085

Estimated strengths by training categories for 1962 are as follows:

Paid drills	Paid days of active duty for training		Beginning strength	Average strength	Ending strength
48	15	Officers.....	22,030	21,200	21,330
		Enlisted.....	98,540	99,810	100,420
24	15	Officers.....	2,350	2,500	2,550
		Enlisted.....	80	90	100
0	90-180	Enlisted.....	778	730	705
Paid drill training, subtotal.....					
		Officers.....	24,380	23,700	23,880
		Enlisted.....	99,398	100,630	101,225
		Total.....	123,778	124,330	125,105
0	15	Officers.....	3,600	2,700	2,700
		Enlisted.....		2,000	2,000
0	30	Enlisted.....	285	100	100
Other paid status, subtotal.....					
		Officers.....	3,600	2,700	2,700
		Enlisted.....	285	2,100	2,100
		Total.....	3,885	4,800	4,800
Total paid status.....					
		Officers.....	27,980	26,400	26,580
		Enlisted.....	99,683	102,730	103,325
		Total.....	127,663	129,130	129,905

2. *Reserve officer candidates.*—This program provides training for officer candidates who are attending the 53 collegiate institutions where NROTC units have been established.

Candidates for commissions as Regular officers are selected on a nationwide competitive basis and are appointed as midshipmen. They attend three summer practice cruises and complete prescribed military training. Successful candidates, commissioned in the Regular Navy and the Marine Corps, are regarded as career officers. They are expected to serve at least 4 years on active duty.

Students who enroll as candidates for a Reserve commission in the Navy or Marine Corps under the terms of a contract with the Department of the Navy attend one summer practice cruise in addition to completing prescribed military training. They are expected to serve for at least 2 years with the Active Forces after graduation.

In addition, students attending colleges or universities may enlist in the Naval Reserve and enroll in the Reserve officer candidate program. Such students participate in two summer training sessions of 8 weeks' duration, and upon successful completion of the program and graduation from college receive a commission in the Naval Reserve and are expected to serve for 3 years with the Active Forces.

Details of the program and the average enrollment are summarized as follows:

Type of program	1959 actual	1960 actual	1961 planned	1962 proposed
NROTC regular.....	5,599	5,271	5,035	4,975
NROTC contract.....	6,224	5,884	6,159	6,644
Reserve officer candidates.....	480	449	446	600
Number of officer candidates commissioned:				
Regular officers.....	1,359	1,247	1,105	1,007
Reserve officers.....	1,275	1,290	866	1,126

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	67,909	68,652	67,916
12 Personnel benefits.....	5,441	5,363	4,982
21 Travel and transportation of persons.....	7,693	7,909	7,762
26 Supplies and materials.....	2,886	3,610	3,890
42 Insurance claims and indemnities.....	36	50	50
Total direct obligations.....	83,965	85,584	84,600
Reimbursable obligations:			
11 Personnel compensation: Military.....	3		
Total obligations.....	83,968	85,584	84,600

RESERVE PERSONNEL, MARINE CORPS

For pay, allowances, clothing, subsistence, gratuities, travel, 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, as authorized by law, **[\$24,831,000] \$26,400,000.** (10 U.S.C. 261 267, 270, 683, 5252, 5456, 6081-6, 6148; 37 U.S.C. 232-7, 251-3, 255, 301, 305; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Reserve personnel.....	23,073	23,767	25,212
2. Reserve officer candidates.....	993	1,064	1,188
Total direct obligations.....	24,066	24,831	26,400
Reimbursable obligations:			
1. Reserve personnel.....	268	270	180
2. Reserve officer candidates.....	9	10	10
Total reimbursable obligations.....	277	280	190
Total obligations.....	24,343	25,111	26,590
Financing:			
Advances and reimbursements from—			
Other accounts.....	-223	-230	-160
Non-Federal sources ¹	-54	-50	-30
Unobligated balance lapsing.....	234		
New obligational authority (appropriation)	24,300	24,831	26,400

¹ Reimbursements from non-Federal sources are derived from the sale of clothing to Regular Marine Corps personnel (10 U.S.C. 7601).

1. *Reserve personnel.*—The purpose of this program is to train members of the Ready Reserve immediately required in the event of mobilization for augmentation of existing units of the Active Forces and as a nucleus for new units. Most reservists in paid status are organized for training purposes into ground and aviation units similar to Fleet Marine Force units. They perform 48 drills of at least 4 hours' duration, and 2 weeks of active field training annually. In addition, some reservists scheduled for early mobilization, but who are not assigned to units, also

receive periodic active duty training. The paid personnel strength is indicated in the following table:

	1959 actual	1960 actual	1961 planned	1962 proposed
End of year:				
Officers.....	4,721	4,778	5,518	5,518
Enlisted.....	41,695	41,692	41,882	42,282
Total.....	46,416	46,470	47,400	47,800
Average:				
Officers.....	5,015	4,746	5,397	5,505
Enlisted.....	40,826	41,096	40,862	41,455
Total.....	45,841	45,842	46,259	46,960

Ready Reserve personnel are obtained either from personnel with prior military service with an interest or an obligation to serve further in the Ready Reserve, or from men without prior service participating in a 6-month active duty training program. Enlisted personnel in drill pay status obtained from those sources are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
6-month training program.....	6,003	7,170	8,200	8,375
Other prior military service.....	6,495	4,391	3,270	2,234

The composition of the Marine Corps Reserve for 1962 by training category is shown below:

Paid drills	Paid days of active duty for training		Beginning strength	Average strength	Ending strength
48	15	Officers.....	3,350	3,340	3,350
		Enlisted.....	37,975	37,277	38,437
24	15	Officers.....	368	365	368
		Enlisted.....	45	45	45
0	90-180	Enlisted.....	3,262	3,633	3,300
		Officers.....	3,718	3,705	3,718
Paid drill training, subtotal.....		Enlisted.....	41,282	40,955	41,782
		Total.....	45,000	44,660	45,500
0	15	Officers.....	1,800	1,800	1,800
		Enlisted.....	600	500	500
0	30	Officers.....	1,800	1,800	1,800
		Enlisted.....	600	500	500
Other paid status, subtotal.....		Total.....	2,400	2,300	2,300
Total paid status.....		Officers.....	5,518	5,505	5,518
		Enlisted.....	41,882	41,455	42,282
		Total.....	47,400	46,960	47,800

2. *Reserve officer candidates.*—The Reserve officer candidate program provides two 6-week summer training courses for students attending an accredited collegiate institution. Upon successful completion of the course and receipt of a baccalaureate degree, male students are commissioned as Reserve officers and are required to serve for 3 years with the active forces. Details of the program are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
Junior course.....	1,370	1,503	1,597	1,701
Senior course.....	851	793	932	1,130
Number commissioned.....	505	585	555	700

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	16,405	17,108	17,953
12 Personnel benefits.....	715	760	769

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations—Continued			
21 Travel and transportation of persons.....	3,469	3,451	3,695
25 Other services.....	26	28	28
26 Supplies and materials.....	3,422	3,461	3,932
42 Insurance claims and indemnities.....	29	23	23
Total direct obligations.....	24,066	24,831	26,400
Reimbursable obligations:			
26 Supplies and materials.....	277	280	190
Total obligations.....	24,343	25,111	26,590

RESERVE PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air Force Reserve 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, \$54,000,000 \$52,000,000. (10 U.S.C. 261-80, 510-12, 515, 591-95, 597-600, 651, 671-85, 715, 771-74, 1001-07, 1016, 1163, 1475-80, 2001, 2231-38, 2511, 8012, 8062, 8076, 8221-23, 8259-60, 8351-56, 8353-63, 8365-68, 8370-81, 8392-95, 8491, 8540, 8611-12, 8685, 8687, 8722, 9301, 9381-87, 9411-14, 9561-63, 9741, 9743; 18 U.S.C. 4281; 37 U.S.C. 231-39, 251-55, 301, 305; 50 U.S.C. 1016; 50 U.S.C. App. 454-55; 70A Stat. 636; 74 Stat. 264, 357; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program activities:			
Direct obligations:			
1. Reserve personnel.....	45,455	47,115	46,061
2. Reserve Officers' Training Corps.....	5,835	6,097	5,939
Total direct obligations.....	51,290	53,212	52,000
Reimbursable obligations:			
1. Reserve personnel.....	20	15	13
2. Reserve Officers' Training Corps.....	27	10	7
Total reimbursable obligations.....	47	25	20
Total obligations.....	51,337	53,237	52,020
Financing:			
Advances and reimbursements from—			
Other accounts.....	—43	—25	—20
Non-Federal sources ¹	—4	—	—
Unobligated balance lapsing.....	2,710	788	—
New obligational authority (appropriation)	54,000	54,000	52,000

¹ Reimbursements from non-Federal sources derived from sale of uniforms to educational institutions for the ROTC (10 U.S.C. 9627).

1. *Reserve personnel.*—This program provides for training and instruction of Air Force Reserve personnel. The Reserve program is designed to provide trained units to supplement Regular Air Force units and trained individuals to augment Regular Air Force organizations and activities. During 1962 there will continue to be 15 troop carrier wings (with 45 troop carrier squadrons) plus supporting units. In 1962, it is planned to activate a number of recovery and base support units whose mobilization mission will be to provide capability for emergency Air Force operations at nonmilitary airfields, and to augment forces at Active Air Force bases in the reconstitution of operational capabilities, in the event of enemy attack. Most of the personnel for such units will be reassigned from the air reserve center program which will be discontinued.

MILITARY PERSONNEL—Continued

Current authorizations—Continued

RESERVE PERSONNEL, AIR FORCE—Continued

AIR FORCE RESERVE PERSONNEL STRENGTH

(In paid status)

	1959 actual	1960 actual	1961 planned	1962 proposed
End of year:				
Officers.....	27,428	27,465	28,890	28,820
Enlisted.....	37,134	37,563	41,015	43,140
Total.....	64,562	65,028	69,905	71,960
Average:				
Officers.....	26,217	27,502	27,821	27,333
Enlisted.....	32,900	37,619	38,580	39,768
Total.....	59,117	65,121	66,401	67,101

Ready Reserve personnel are obtained either from personnel with prior military service who have an interest or an obligation to serve further in the Ready Reserve or from newly enlisted airmen participating in the 3-6 month active duty training program. Enlisted personnel obtained from those sources are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
3-6 month training program.....	2,918	3,026	3,277	2,184
Prior military service.....	22,915	14,400	19,171	16,441

The program is based on 48 paid drills of 4-hour duration and 15 days of active duty for training for personnel assigned to Reserve troop carrier wings, combat support training units, and mobilization assignees who occupy positions that require proficiency in an aeronautical skill. Nonflying mobilization assignees are provided 24 paid drills of 4-hour duration when training at their place of assignment and 15 days of active duty for training. Reserve personnel assigned to the Reserve base recovery and base support program will be provided 24 paid drills of 4-hour duration and 15 days of active duty for training. Those individuals receiving 15 days of active duty training only, are mobilization assignees assigned to the major air commands whose civilian occupations are so closely allied to their military specialties that they do not require frequent inactive duty training. In addition to normal on-the-job training, selected courses at Air Force schools and special tours of active duty for training have been provided to increase individual proficiency. Estimated strengths by training categories for 1962 are as follows:

Paid drills	Paid days of active duty for training	Beginning strength	Average strength	Ending strength	
48	15	Officers.....	9,630	7,820	7,925
		Enlisted.....	25,470	24,965	26,010
24	15	Officers.....	13,245	13,117	14,575
		Enlisted.....	12,585	11,120	13,215
0	90-180	Officers.....	25	76	-----
		Enlisted.....	1,445	1,043	1,275
Paid drill training, subtotal.....		Officers.....	22,900	21,013	22,500
		Enlisted.....	39,500	37,128	40,500
		Total.....	62,400	58,141	63,000
0	15	Officers.....	5,810	6,105	6,105
		Enlisted.....	1,450	2,565	2,565
0	30	Officers.....	180	215	215
		Enlisted.....	65	75	75
Other paid status subtotal.....		Officers.....	5,990	6,320	6,320
		Enlisted.....	1,515	2,640	2,640
		Total.....	7,505	8,960	8,960
Total paid status.....		Officers.....	28,890	27,333	28,820
		Enlisted.....	41,015	39,768	43,140
		Total.....	69,905	67,101	71,960

2. *Air Reserve Officers' Training Corps.*—This program is designed to provide qualified officers to meet the requirements of the Active Air Force and will be conducted at 175 colleges and universities during 1962. Military training is also provided for college students who elect or are required to enroll in the basic course. The curriculum of the AROTC course includes instruction in military and academic subjects together with a 4-week summer camp at an Active Air Force base.

Students completing the advanced course receive commissions as Reserve officers and are ordered to active duty with the Air Force for periods ranging from 3 years for nonflying officers to 5 years for officers completing flying training. Officer production is summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
Pilots or navigators.....	1,743	1,726	1,600	1,688
Other (nonflying).....	2,327	2,059	1,889	1,920
Total.....	4,070	3,785	3,489	3,608

Details of the program and the average annual enrollment are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
Air science I (basic).....	51,466	55,270	57,800	57,800
Air science II (basic).....	29,564	31,518	34,600	36,500
Air science III (advanced).....	4,462	4,390	4,600	4,400
Air science IV (advanced).....	4,352	4,024	4,400	3,800

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	37,693	38,638	37,973
12 Personnel benefits.....	5,872	6,228	5,874
21 Travel and transportation of persons.....	2,576	2,537	2,142
26 Supplies and materials.....	5,120	5,778	5,980
42 Insurance claims and indemnities.....	29	31	31
Total direct obligations.....	51,290	53,212	52,000
Reimbursable obligations:			
26 Supplies and materials.....	47	25	20
Total obligations.....	51,337	53,237	52,020

NATIONAL GUARD PERSONNEL, ARMY

For pay, allowances, clothing, subsistence, gratuities, travel, 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 duty, as authorized by law, **[\$230,277,000]** \$202,000,000: *Provided*, That obligations may be incurred under this appropriation **[for the foregoing expenses for training of units designated for early deployment under mobilization plans 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 400,000 for the fiscal year 1961: *Provided further*, That \$31,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act. (10 U.S.C. 265, 3722; 32 U.S.C. 107, 253, 701; 37 U.S.C. 232(e), 251, 252, 301; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations: Military personnel.....	231,075	230,277	202,000
Reimbursable obligations: Military personnel.....	1,191	1,100	1,000
Total obligations.....	232,266	231,377	203,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	-591	-500	-350
Non-Federal sources ¹	-600	-600	-650
Unobligated balance lapsing.....	3,886		
New obligational authority (appropriation)	234,961	230,277	202,000

¹ Reimbursements from non-Federal sources are derived from sale of meals to officers from enlisted messes (10 U.S.C. 4621).

This program provides funds for training members of units of the Army National Guard. The troop structure of the Army National Guard now consists of approximately 4,500 company size units including all elements of 27 combat divisions. Current plans contemplate early utilization of six of these divisions which are manned and equipped to permit immediate mobilization and use. Personnel assigned to Guard units are expected, on the average, to perform thirty-nine 2-hour drills and nine 4-hour drills as well as 2 weeks of annual field training at a summer camp. Selected personnel receive additional training at Army service schools and command post exercises to improve their military qualifications. With the reduction in strength to 360,000 at the end of 1962 the Army National Guard will be manned at a level fully adequate to fulfill its assigned role in support of our national objectives. The paid personnel strength is summarized in the following table:

ARMY NATIONAL GUARD PERSONNEL STRENGTH

(In paid status)

	1959 actual	1960 actual	1961 planned	1962 proposed
End of year:				
Officers.....	37,884	37,142	37,000	37,000
Enlisted.....	361,543	364,623	363,000	323,000
Total.....	399,427	401,765	400,000	360,000
Average:				
Officers.....	37,881	37,388	36,900	37,000
Enlisted.....	352,900	360,246	363,100	338,100
Total.....	390,781	397,634	400,000	375,100

Army National Guard personnel are obtained either from personnel with prior active military service who have an interest or an obligation to serve further in the Ready Reserve, or from newly enlisted men participating in a 6-month active duty training program. Enlisted personnel in drill pay status obtained from these sources are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
6-month training program.....	47,798	69,130	67,800	30,500
Other prior military service.....	53,711	32,498	30,500	29,500

It is expected that 62,000 men will begin a 6-month tour of active duty training in 1961 and 28,000 in 1962.

The composition of the Guard by training category during 1962 is indicated below:

Paid drills	Paid days of active duty for training		Beginning strength	Average strength	Ending strength
48	15	Officers.....	37,000	37,000	37,000
0	180	Enlisted.....	332,000	319,300	311,000
		Enlisted.....	31,000	18,800	12,000
		Total.....	400,000	375,100	360,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	177,290	179,771	161,487
12 Personnel benefits.....	12,111	12,998	12,981
21 Travel and transportation of persons.....	9,969	11,108	7,384
22 Transportation of things.....	30		
25 Other services.....	4		
26 Supplies and materials.....	31,671	26,400	20,148
Total direct obligations.....	231,075	230,277	202,000
Reimbursable obligations:			
11 Personnel compensation: Military.....	159	200	200
12 Personnel benefits.....	5		
26 Supplies and materials.....	1,027	900	800
Total reimbursable obligations.....	1,191	1,100	1,000
Total obligations.....	232,266	231,377	203,000

NATIONAL GUARD PERSONNEL, AIR FORCE

For pay, allowances, clothing, subsistence, gratuities, travel, and related expenses for personnel of the Air National Guard 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, [\$46,000,000] \$47,000,000: *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, 591-95, 597-600, 651, 671-72, 676-85, 715, 771-74, 1001-07, 1163, 1475-80, 2001, 2231-38, 2511, 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, 8722, 9301, 9561-63, 9741, 9743; 18 U.S.C. 4281; 31 U.S.C. 698; 32 U.S.C. 101-11, 301-05, 307-08, 312-33, 501-07, 701-14; 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; 74 Stat. 357; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations: Military personnel.....	47,755	46,000	47,000
Reimbursable obligations: Military personnel.....	135	128	129
Total obligations.....	47,890	46,128	47,129
Financing:			
Advances and reimbursements from—			
Other accounts.....	-131	-124	-125
Non-Federal sources ¹	-4	-4	-4
Unobligated balance lapsing.....	245		
New obligational authority (appropriation)	48,000	46,000	47,000

¹ Reimbursements from non-Federal sources derived from sale of meals to officers from enlisted messes (10 U.S.C. 9621).

This program provides funds for training members of units of the Air National Guard required by current mobilization plans. These are organized into 24 wings of tactical type aircraft as well as a number of nontactical flying and ground support organizations. Three aircraft control and warning units and 22 fighter interceptor squadrons augment their training by participating in an active alert status and in so doing contribute to the mission accomplishment of the Air Force Air Defense Command. Personnel assigned to Guard units are required to perform 48 4-hour drills and to participate in 15 days of active duty training. The personnel strength in 1962

MILITARY PERSONNEL—Continued

Current authorizations—Continued

NATIONAL GUARD PERSONNEL, AIR FORCE—Continued

will continue the level reached at the end of 1961 and is summarized in the following table:

AIR NATIONAL GUARD STRENGTH

	1959 actual	1960 actual	1961 planned	1962 proposed
End of year:				
Officers.....	8,473	8,570	8,800	8,800
Enlisted.....	62,521	62,250	63,200	63,200
Total.....	70,994	70,820	72,000	72,000
Average:				
Officers.....	8,427	8,532	8,680	8,800
Enlisted.....	62,099	62,450	62,680	63,200
Total.....	70,526	70,982	71,360	72,000

Air National Guard personnel are obtained either from personnel with prior military service who have an interest or an obligation to serve further in the Ready Reserve, or from men participating in a 6-month active-duty training program. Enlisted personnel in drill-pay status obtained from these sources are summarized below:

	1959 actual	1960 actual	1961 planned	1962 proposed
6-month training program.....	8,870	8,663	6,500	6,500
Other prior military service.....	3,517	1,250	810	2,166

Estimated strengths by training categories during 1962 are as follows:

Paid drills	Paid days of active duty for training	Beginning strength	Average strength	Ending strength
48	15	8,800	8,800	8,800
0	90-180	61,444	61,530	61,468
		1,756	1,670	1,732
		Total.....	72,000	72,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Military.....	40,034	38,159	38,986
12 Personnel benefits.....	350	545	562
21 Travel and transportation of persons.....	3,149	3,728	3,601
26 Supplies and materials.....	4,222	3,568	3,851
Total direct obligations.....	47,755	46,000	47,000
Reimbursable obligations:			
26 Supplies and materials.....	135	128	129
Total obligations.....	47,890	46,128	47,129

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, **[\$775,000,000]** \$895,000,000. (74 Stat. 350; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Nondisability.....	397,840	451,648	539,929
2. Temporary disability.....	28,891	31,089	33,803
3. Permanent disability.....	200,593	203,147	205,618
4. Fleet reserve.....	63,176	85,982	111,984
5. Survivors' benefits.....	2,422	3,134	3,666
Total obligations (object class 13).....	692,922	775,000	895,000
Financing:			
Unobligated balance lapsing.....	22,078		
New obligational authority (appropriation).....	715,000	775,000	895,000

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 (a) payments to retired officers and enlisted personnel of the Army, Navy, Marine Corps, and Air Force, (b) the retainer pay of regular enlisted personnel of the Fleet Reserve of the Navy and Fleet Marine Corps Reserve, and (c) survivors' benefits payable under the Uniformed Services Contingency Option Act of 1953. 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. A supplemental appropriation is anticipated for 1962 under Proposed for later transmission. This account, presently managed by allocations to each of the four services, will be administered on a consolidated basis beginning July 1, 1961. The following tabulation shows the average number of personnel on the rolls during 1960 compared with the estimated numbers for 1961 and 1962:

AVERAGE NUMBER

Type of retirement	1960 actual	1961 estimate	1962 estimate
1. Nondisability.....	126,489	143,800	173,895
2. Temporary disability.....	13,532	14,722	16,037
3. Permanent disability.....	70,442	72,062	73,686
4. Fleet reserve.....	30,343	41,264	53,826
5. Survivors' benefits.....	2,098	2,550	2,993
Total.....	242,904	274,398	320,437

Proposed for later transmission:

MILITARY PERSONNEL, ARMY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Pay and allowances.....		4,993	
2. Subsistence in kind.....		895	
3. Movements, permanent change of station.....		1,100	
4. Other costs.....		12	
Total obligations.....		7,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		7,000	

Under existing legislation, 1961.—Additional funds are anticipated for increased costs resulting from the maintenance of a strength higher than the 870,700 average provided for in the 1961 budget. Provision is made for the pay and related costs of 2,500 man-years in addition to those in the revised 1961 program.

MILITARY PERSONNEL, NAVY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Pay and allowances.....		10,030	
2. Subsistence in kind.....		2,339	
3. Movements, permanent change of station.....		2,617	
4. Other costs.....		14	
Total obligations.....		15,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		15,000	

Under existing legislation, 1961.—Additional funds are anticipated due to the increase in readiness requirements for the Regular Navy which provides for an increase from 619,000 to 625,000 in the end strength with an average of 624,775. The manpower increase of 6,000 in end strength is required to man the ships and air groups included in the increased readiness posture.

RETIRED PAY, DEPARTMENT OF DEFENSE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Nondisability.....			16,800
2. Temporary disability.....			1,425
3. Permanent disability.....			10,200
4. Fleet reserve.....			2,575
Total obligations.....			31,000
Financing:			
New obligational authority (proposed supplemental appropriation).....			31,000

Under proposed legislation, 1962.—Legislation will be proposed to provide that the retired pay, retirement pay, retainer pay, or equivalent pay of members or former members of the uniformed services entitled to such pay on May 31, 1958, shall be based on the pay scales which became effective on June 1, 1958, under the provisions of Public Law 85-422.

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; awards and medals; welfare and recreation; information and educational services for the Armed Forces; recruiting expenses; meals furnished under contract for se-

lective 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 \$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 (19 U.S.C. 7208) for Latin-American cooperation; not to exceed [\$5,459,000] \$5,101,000 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; \$3,120,022,000: *Provided*, That not to exceed \$92,219,000 of this amount shall be available for departmental administration: *Provided further*, That \$18,100,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army Reserve at the strength provided for in this Act: *Provided further*, That \$20,440,000 of the funds provided in this appropriation shall be available only to meet the increased expenses necessary to maintain the Army National Guard at the strength provided for in this Act] \$3,257,000,000. (5 U.S.C. 43, 78, 946; 10 U.S.C. 2632, 3012, 3013, 3062, 4302, 4331-4355, 4382, 4385, 4386, 4505, 4536, 4741; 37 U.S.C. 253; 50 U.S.C. 78, App. 761, 766; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Tactical forces.....	922,452	972,996	993,000
2. Training activities.....	184,862	186,226	195,200
3. Central supply activities.....	891,018	932,194	936,500
4. Major overhaul and maintenance of materiel.....	250,644	262,867	269,500
5. Medical activities.....	133,381	144,585	147,000
6. Armywide activities.....	467,800	474,170	475,500
7. Army Reserve and Reserve Officers' Training Corps.....	75,890	71,545	69,000
8. Joint projects.....	136,997	151,640	171,300
Total direct obligations.....	3,063,045	3,196,223	3,257,000
Reimbursable obligations:			
1. Tactical forces.....	81,128	82,598	80,700
2. Training activities.....	12,829	14,980	13,866
3. Central supply activities.....	124,129	127,400	124,900
4. Major overhaul and maintenance of materiel.....	123,761	106,473	74,240
5. Medical activities.....	87,571	94,253	99,460
6. Armywide activities.....	16,126	20,319	16,547
7. Army Reserve and Reserve Officers' Training Corps.....	586	2,117	1,680
8. Joint projects.....	35,350	43,860	65,607
Total reimbursable obligations.....	481,480	492,000	477,000
Total obligations.....	3,544,525	3,688,223	3,734,000

OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, ARMY—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	1,905		
Comparative transfers from other accounts (goods and services provided by Berlin Magistrat).....	-11,315	-12,351	
Unobligated balance brought forward.....	-119,217	-74,243	-69,443
Unobligated military assistance orders trans- ferred to other accounts.....	23,949	600	
Advances and reimbursements from—			
Military assistance orders.....	-56,340	-60,800	
Other accounts.....	-296,228	-325,063	-338,847
Non-Federal sources ¹	-107,888	-101,937	-101,753
Unobligated balance carried forward.....	74,243	69,443	33,043
Unobligated balance lapsing.....	21,962		
New obligational authority.....	3,075,596	3,183,872	3,257,000
New obligational authority:			
Appropriation.....	3,075,390	3,120,022	3,257,000
Transferred to—			
"Salaries and expenses, Bureau of Prisons" (73 Stat. 443).....	-750		
"Operating expenses, National Archives and Records Service," General Services Administration (71 Stat. 69).....	-228	-2,600	
"Operating expenses, Public Buildings Service," General Services Administra- tion (71 Stat. 69).....		-1,019	
"Repair and improvement of public build- ings," General Services Administration (71 Stat. 69).....		-288	
"Expenses, supply distribution," General Services Administration (71 Stat. 69).....		-43	
Transferred (5 U.S.C. 172f(a)) from—			
"Operation and maintenance, Air Force".....	1,074		
"Operation and maintenance, Navy".....	110		
Appropriation (adjusted).....	3,075,596	3,116,072	3,257,000
Proposed supplemental due to pay in- creases.....		67,800	

¹ Reimbursements from non-Federal sources are principally sales of surplus U.S. Government property; sales of goods and services to individuals, including laundry services, subsistence of hospital patients, surcharge on commissary sales and unofficial telephone service; and mutual security sales to foreign governments (10 U.S.C. 4621, 4624, 4625, 4626, and 4627; 22 U.S.C. 1816).

This appropriation provides for the day-to-day operations and activities of an 871 thousand-man Active Army and a 1 million-man Army Ready Reserve. This includes the direct operational support of the Army forces deployed within the United States and oversea commands; the maintenance and operation of facilities used for the recruitment, training, administration, and logistical support of these forces; and the maintenance of a mobilization base for the expansion of Army forces in the event of emergencies or war. The Active Army Forces include Army units assigned to the unified and specified commands in Europe, the Pacific, Alaska, and the Caribbean; and air defense units in the United States. They also provide for forces deployed in other strategic locations. Other Active Army Forces are the strategic Army forces located in the United States for deployment as necessary, and the substantial support and training forces associated with these combat forces. While the composition and deployment of these forces remain relatively unchanged, their equipping with more modern weapons will continue to improve their striking power.

To accomplish these missions and activities, funds are required for the logistics system, which procures, stores, distributes, and maintains materiel; for expenses of the departmental and other major command headquarters; and local support costs. This latter category includes maintenance and repair of the fixed plant, essential welfare and recreational activities, the maintenance of equipment, and local headquarters and administration. Increased funds are included in 1962 for the modernization of World War II family housing and barracks, reduction in deferred facilities maintenance, replacement of repairs and utilities equipment, and quarters furniture procurement.

This appropriation also provides for the expenses of administration and training of the Army Reserve Forces and for 6 months active duty training of Army Reserve and National Guard personnel at basic training centers, Army schools, and with Army units.

1. *Tactical forces.*—This provides for the training and support of Army combat forces. These costs include the operation and maintenance of the installations where these units are stationed; and the operation and maintenance of the missiles, aircraft, vehicles, and other equipment assigned to these units. By providing additional special training exercises, the 1962 program places an increased emphasis upon operational readiness.

Basic training of recruits, including 6-month Reserve forces trainees, is accomplished at 12 training centers with the following average loads:

	1960 actual	1961 estimate	1962 estimate
Active Army.....	42,386	46,800	55,900
Reserve and National Guard.....	38,845	40,900	24,850
Total trainees.....	81,231	87,700	80,750

2. *Training activities.*—This provides for the training of individual officers and enlisted men as contrasted with the training of combat units. It includes two general types of training: training of career personnel with accent on doctrine, strategy, and tactics; and training in specific military and support skills such as missile maintenance, counter mortar radar operation, aircraft mechanics, electronic repair, financial management, personnel administration, languages, and the operation of the complex and intricate weapons and equipment of the modern Army. Most individual training is conducted through the Army service schools and colleges which conduct resident and nonresident courses of instruction for U.S. Army personnel, Reserve forces trainees, personnel from other services, and foreign military personnel, prepare Army training publications, and develop military doctrine and techniques.

In addition, this activity finances the U.S. Military Academy at West Point which provides instruction for approximately 2,400 cadets annually for careers as Army officers; tuition costs for officers and enlisted men in training at nonmilitary institutions; and the production of training devices, simulators, training films, and visual training aids.

The number of students supported by these funds are as follows:

	1960 actual	1961 estimate	1962 estimate
Service schools (average load):			
Schools.....	30,628	28,930	29,099
Colleges.....	1,088	1,090	1,091
U.S. Military Academy (average load)....	2,392	2,396	2,400
Civilian institutions (number attending)....	4,341	3,684	3,685

3. *Central supply activities.*—This program finances the worldwide Army supply system which is controlled through commodity managers at 27 national inventory

control points. Here up-to-date inventories are kept on the quantity, location, and condition of Army stocks worldwide; and requirements are determined as a basis for materiel maintenance and procurement. In support of commodity management, current catalogs and data are maintained on about 910 thousand items. About 1.5 million cyclical supply control studies are made each year. Requisitions are processed at the rate of 55 million line items annually. Overseas supply agencies are operated at three major ports to insure timely and adequate support to overseas commands. The Army operates 80 depots which receive, store, and care for the multibillion dollar inventory, and ship an average of 12,020 tons of supplies each workday.

This program also provides for the execution of a \$4.6 billion annual central procurement program, including contracting, contract administration, inspection, preparation of specifications, standardization, and industrial support measures for current procurement and mobilization. Provision is made for the expenses of transportation of supplies and equipment between depots and from depots to the point of use, and the operation of Army ports and terminals in the United States and overseas. In doing this the Army ships approximately 5 million short tons by inland line haul and approximately 4 million measurement tons by ocean transport annually. Included also is the maintenance and protection of production facilities retained on standby status in peacetime against possible mobilization requirements.

In addition to the above activities, this program provides substantial supply support for the Navy, Air Force, and the Marine Corps. This support includes the operation of six single manager agencies, the Military Traffic Management Agency, the Military Clothing and Textile Supply Agency, the Military Subsistence Supply Agency, the Military General Supply Agency, the Military Construction Supply Agency, and the Military Automotive Supply Agency.

A summary of total workload data specifically related to the central supply activities program follows (including reimbursable workload):

	1960 actual	1961 estimate	1962 estimate
Supply depots.....	80	81	80
National inventory control points.....	25	26	27
Line items processed.....	50,473,000	52,839,000	55,000,000
Short tons received.....	2,667,000	2,789,000	2,655,000
Short tons shipped.....	2,953,000	2,803,000	2,798,000
Short tons in storage ¹	10,876,000	10,844,000	10,700,000

¹ Excludes strategic and critical materials which are GSA owned.

4. *Major overhaul and maintenance of materiel.*—This activity assures that Army equipment is maintained in effective operating condition. To meet this objective, worldwide maintenance management and assistance is provided to field commanders through maintenance publications, maintenance engineering services and technical assistance in the introduction and use of complex modern equipment; parts are provided for missiles, aircraft, special weapons, and radio-controlled drones; and the overhaul and modification of equipment and the renovation of ammunition and special weapons, are provided as needed. This program also provides for the major overhaul of materiel for the mutual aid program and for other Defense agencies, on a reimbursable basis.

Cost reduction is continually emphasized. Improved maintenance techniques, standards of performance, active product improvement program, and improved management practices are developed through maintenance engineering services and are implemented under the direction and guidance of national maintenance points. All levels

of maintenance are made aware of improved techniques and standards through the technical manuals and publications developed under this program.

Of the total funds (direct and reimbursable) available for this program, approximately 40% will be used for overhaul, modification, and ammunition renovation; approximately 38% for maintenance engineering and other related costs; and approximately 22% for procurement of parts and modification kits.

5. *Medical activities.*—This covers medical, dental, and veterinary support of the Army, Army National Guard, Army Reserve and Reserve Officers' Training Corps; medical care and hospitalization of civilian employees and their dependents in the Canal Zone; medical care of dependents of military personnel; training of military personnel in medical specialties, and operation of the Surgeon General's office. It cost the Army \$15.4 million in 1960 for care of dependents of its military personnel in civilian hospitals and these costs are estimated at \$15.7 million in 1961 and \$18.1 million in 1962.

MEDICAL FACILITIES AND PATIENTS

	1960 actual	1961 estimate	1962 estimate
Army hospitals.....	86	87	87
Patients (average daily load):			
In Army hospitals.....	12,623	12,549	12,529
Active duty.....	6,859	6,699	6,634
Dependents.....	3,483	3,533	3,550
Others.....	2,281	2,317	2,345
In non-Army facilities.....	2,845	2,994	3,147
Active duty.....	1,231	1,238	1,238
Dependents:			
In Federal hospitals.....	545	566	579
In civilian hospitals.....	819	923	1,047
Others.....	250	267	283
Medical personnel in training.....	4,115	4,369	4,666

6. *Armywide activities.*—This includes the management and direction of the Army and finances the headquarters in Washington, D.C., and the major field commands. These headquarters will operate at lower cost in 1962 due to personnel reductions accomplished during 1961. Funds are provided for the Army part of the worldwide Defense Department communication network which includes communications-electronics facilities used for prompt communications between headquarters and the unified commands, and furnishes administrative communications between the many separate activities of the Army. The Army Intelligence program operates the attaché system and the Army Intelligence Center, and covers counter-intelligence, and technical and field intelligence. Mapping and geodesy are accomplished to fulfill the Army's assigned responsibility for ground mapping throughout the world, with added emphasis being placed on the more precise maps and geodesy required in the missile age. Miscellaneous administrative services are also provided for the entire Army, ranging from records centers, the processing of military personnel, and the education of dependents overseas to financial accounting and auditing. Some of the workload indicators for this activity are:

	1960 actual	1961 estimate	1962 estimate
Records and publications centers.....	11	9	9
Personnel centers.....	11	12	12
Message groups handled (in millions).....	22,080	22,223	22,499

7. *Army Reserve and Reserve Officers' Training Corps.*—This activity provides support for training and administering the Army Reserve and includes the cost of Reserve training performed at local training sites and at summer camps. Workload is indicated as follows (in thousands):

OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, ARMY—Continued

	1960 actual	1961 estimate	1962 estimate
Reservists in drill pay status (total end strength).....	301	300	270
Total Reserve strength:			
Ready Reserve.....	1,025	1,033	1,073
Standby Reserve.....	1,118	1,102	1,085

Operation and maintenance of facilities in this program is limited to Corps headquarters, reserve training centers, and inactive installations used solely for summer training. An average of 157 thousand Reserve Officers' Training Corps students at civilian colleges and universities will be supported in 1962.

8. *Joint projects.*—This program collects under one heading those interdefense projects for which the Army has been assigned administrative or executive agent responsibility. Included herein are the necessary resources to provide: (a) Joint educational facilities which enhance the preparation of selected personnel of the Armed Forces for the exercise of joint and combined high-level policy, command and staff functions and for the planning of national strategy; (b) information and education programs to give the individual service member an understanding of his responsibilities and obligations to our form of government, the missions of the Armed Forces and their relationships to each other, and the individual's contribution to the national program of defense and to provide opportunities for off-duty programs of academic, technical, and vocational education; (c) international activities supporting national policy, principally in the field of inter-American relations; (d) unified command headquarters in Europe and Caribbean; and (e) classified activities, which will continue to increase in 1962.

In addition, the 1962 program will include for the first time the support costs of the Defense Communications Agency established in 1961 to control the worldwide strategic and administrative communications network of the Defense Department.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	1,222,742	1,297,584	1,295,119
Positions other than permanent.....	22,878	22,951	22,870
Other personnel compensation.....	41,849	35,985	30,934
Total personnel compensation.....	1,287,469	1,356,520	1,348,923
Direct obligations:			
11 Personnel compensation.....	1,138,255	1,207,448	1,198,464
12 Personnel benefits.....	69,413	83,958	85,580
21 Travel and transportation of persons.....	79,080	79,473	82,510
22 Transportation of things.....	141,528	146,305	144,014
23 Rent, communications, and utilities.....	164,779	173,066	175,973
24 Printing and reproduction.....	20,113	23,249	24,970
25 Other services.....	426,499	448,391	495,873
Services performed by other agencies.....	33,614	34,612	34,931
Labor contracts with foreign governments ¹	168,530	166,236	166,005
26 Supplies and materials.....	688,640	715,397	725,703
31 Equipment.....	124,574	109,319	113,850
32 Lands and structures.....	3,462	3,507	3,707
41 Grants, subsidies, and contributions.....	2,895	2,914	2,956
42 Insurance claims and indemnities.....	909	1,004	1,038
43 Interest and dividends.....	1	1	1
44 Refunds.....	744	1,331	1,412
Unvouchered.....	8	12	13
Total direct obligations.....	3,063,045	3,196,223	3,257,000

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Reimbursable obligations:			
11 Personnel compensation.....	149,214	149,072	150,459
12 Personnel benefits.....	9,307	10,231	10,346
21 Travel and transportation of persons.....	3,694	2,657	2,730
22 Transportation of things.....	17,227	16,566	16,638
23 Rent, communications, and utilities.....	26,153	26,183	26,240
24 Printing and reproduction.....	2,270	2,282	2,285
25 Other services.....	124,871	132,504	111,993
Services performed by other agencies.....	200	200	200
Labor contracts with foreign governments ¹	5,693	6,036	5,773
26 Supplies and materials.....	103,046	97,027	99,421
31 Equipment.....	39,569	49,006	50,679
32 Lands and structures.....	118	113	113
41 Grants, subsidies, and contributions.....	77	82	82
44 Refunds.....	41	41	41
Total reimbursable obligations.....	481,480	492,000	477,000
Total obligations.....	3,544,525	3,688,223	3,734,000

¹ Average number of persons: 1960, 104,495; 1961, 100,219; 1962, 99,759.

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	256,027	253,142	252,901
Full-time equivalent of other positions.....	21,565	19,631	19,581
Average number of all employees.....	264,869	262,002	260,602
Number of employees at end of year.....	265,305	262,106	262,809
Average GS grade.....	6.1	6.2	6.2
Average GS salary.....	\$5,327	\$5,670	\$5,693
Average salary of ungraded positions.....	\$5,153	\$5,261	\$5,261

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; administration; procurement of military personnel; 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. 7580), 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; procurement of services, special clothing, supplies, and equipment; installation of equipment in public or private plants; exploration, prospecting, conservation, development, use, and operation of the Naval petroleum reserves, as authorized by law; not to exceed [\$12,686,000] \$14,372,000 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; [\$2,518,897,000] \$2,624,000,000, of which [\$995,000] \$1,100,000 shall be transferred to the appropriation "Salaries and expenses", Weather Bureau, Department of Commerce, fiscal year [1961] 1962, and \$16,980,000 shall be transferred to the appropriation "Operating expenses", Coast Guard, fiscal year [1961] 1962, for the operation of ocean

stations: Provided, That not to exceed \$107,085,000 of the funds provided in this appropriation shall be available for departmental administration. (5 U.S.C. 46, 55a, 73b-1, 78, 95a; 10 U.S.C. 262, 276, 351, 1074, 1076-7, 1079, 1083, 1085, 1481-5, 1487-8, 2201, 2386, 2388, 2481, 2602, 2670, 2675, 2701, 5012-13, 5031, 5142, 5151, 5531, 6022, 6028-9, 6153, 6201-3, 6297, 6901, 6910, 6951-2, 6968, 7041, 7043-4, 7085, 7202, 7205, 7207-8, 7212, 7214-15, 7218, 7229, 7293, 7297, 7303, 7361-2, 7391-2, 7394-6, 7421, 7432, 7571, 7580; 24 U.S.C. 14a, 15, 16a, 21a, 30, 37; 31 U.S.C. 82a-2, 95a, 104, 492a-b, 725h; 33 U.S.C. 367; 37 U.S.C. 253; 44 U.S.C. 265; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. General expenses, Navy personnel.....	91,088	91,993	94,460
2. Weapons and facilities.....	971,636	920,002	931,604
3. Ships and facilities.....	853,508	851,901	887,246
4. Medical care.....	94,593	88,404	92,520
5. Civil engineering.....	95,372	129,694	130,510
6. Servicewide supply.....	290,140	298,898	300,960
7. Servicewide operations.....	182,583	176,745	184,200
8. Naval petroleum reserves.....	2,105	2,124	2,500
Total direct obligations.....	2,581,025	2,559,761	2,624,000
Reimbursable obligations:			
1. General expenses, Navy personnel.....	6,507	5,912	5,925
2. Weapons and facilities.....	56,572	43,525	31,123
3. Ships and facilities.....	27,930	30,580	23,900
4. Medical care.....	23,234	23,259	23,380
5. Civil engineering.....	30,304	18,200	17,200
6. Servicewide supply.....	16,397	16,800	16,800
7. Servicewide operations.....	18,552	21,724	20,672
8. Naval petroleum reserves.....	14		
Total reimbursable obligations.....	179,509	160,000	139,000
Subtotal.....	2,760,534	2,719,761	2,763,000
Less intrafund obligations.....	28,214	24,200	24,600
Total obligations.....	2,732,320	2,695,561	2,738,400
Financing:			
Comparative transfers to other accounts.....	692		
Comparative transfers from other accounts (goods and services provided by Berlin Magistrat).....	-35	-35	
Unobligated balance brought forward (69 Stat. 438).....	-16,413	-16,919	
Unobligated military assistance orders transferred to other service accounts.....		14,213	
Advances and reimbursements from—			
Military assistance orders.....	-6,265		
Other accounts.....	-129,767	-123,769	-105,062
Non-Federal sources (5 U.S.C. 61(b); 10 U.S.C. 2481, 2663, 2667, 6011; 22 U.S.C. 1816 and 40 U.S.C. 481(c)).....	-16,215	-9,326	-9,338
Unobligated balance carried forward (69 Stat. 438).....	16,919		
Unobligated balance lapsing.....	29,374		
New obligational authority.....	2,610,610	2,559,726	2,624,000
New obligational authority:			
Appropriation.....	2,611,220	2,518,897	2,624,000
Transferred to—			
"Emergency fund, Department of Defense" (73 Stat. 377).....	-500		
"Operation and maintenance, Army" (5 U.S.C. 172f(a)).....	-110		
"Operating expenses, National Archives and Records Service," General Services Administration.....		-671	
Appropriation (adjusted).....	2,610,610	2,518,226	2,624,000
Proposed supplemental due to pay increases.....		41,500	

The current readiness of naval forces capable of prompt and sustained combat operations depends upon this appropriation, which finances the day-to-day costs of organizing, training, preparing, and operating these forces. These include carrier striking forces, submarine forces, anti-submarine forces, amphibious forces, and anti-air warfare forces, most of which are assigned to unified and specified commands. The appropriation also finances the routine operating costs of the supporting Naval Shore Establishment which provides supply, overhaul, modernization, repair, and other services for the operating forces and their personnel.

In 1961, the level of naval readiness has been increased by deploying two additional aircraft carriers with attack aircraft to the Sixth and Seventh Fleets, commissioning two Marine Corps air attack squadrons, and commissioning one naval air group together with other actions contributing to an improved defense posture. These units augment the forces of the unified commands in the Pacific and Mediterranean. The cost of these measures in 1961 is included in the estimate for a supplemental appropriation. This program will continue into 1962.

Advances in military technology, the growing obsolescence of the fleet and combat readiness considerations result in increased cost. The fleet rehabilitation and modernization program, which began in 1960, will be continued at approximately the same level as 1961. Increased funds for improvements to active fleet ships have been necessitated by a rising level of installation of more complex shipboard electronic and communication equipments.

Flying hours are approximately the same as 1961 but will increase the readiness capability of naval aviation, particularly in the combat units. The continued introduction of modern, high performance jet aircraft, such as the A3J heavy attack aircraft and the F4H all-weather fighter will augment combat capability and increase operating and maintenance costs.

Successful development of the Polaris weapons system has provided a new contribution to our national deterrent. By the end of 1962 a total of nine Polaris submarines will have been commissioned of which seven will be assigned to the Atlantic unified command. This is an increase of four submarines over end 1961. Additional funds are required as the Navy phases this weapons system into operational status.

Navy is now to fund the newly established Military Industrial Supply Agency and host service responsibilities at Keflavik, Iceland. The impact of technological innovation upon traditional methods of naval warfare has brought about a need for the Fleet Computer Programming Center. A National Oceanographic Data Center has been established, administered by the Hydrographic Office. The Navy Information Center will be expanded to provide the Chief of Naval Operations with more timely intelligence and logistic data required for Navy support of the unified commands.

Logistic support of the National Antarctic program where the Navy is executive agent for the Defense Department will include installation of modern equipment and more permanent facilities. Support of the Antarctic program will cost \$16,726 thousand in 1962.¹ The Shore Establishment will provide supporting services to the fleet and its personnel, and be maintained in readiness for support, including a capability to support expanded operations. However, the number of shore facilities will be reduced in 1962 to provide a better balance between

¹ Charged to this appropriation, \$9,169 thousand; other appropriations, \$985 thousand; estimated statistical costs, \$6,572 thousand.

OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, NAVY—Continued

the operating forces and shore support. Funds for departmental administration and travel have been maintained at the 1961 level. Other support costs include provision for community services, medical care, and additional family housing units.

1. *General expenses, Navy personnel.*—Modern naval operations dictate the recruiting and training of highly adaptable and capable personnel. The training program includes that for 105,000 recruits and technical training, scientific training, and professional education of 58,000 officers and 288,000 enlisted men. Reserve training activities provide for the training of over 140,000 reservists annually and support for over 12,000 NROTC midshipmen in civilian colleges. In addition, the Naval Academy annually prepares 3,700 midshipmen for officer careers.

	1960 actual	1961 estimate	1962 estimate
Average training load.....	64,105	66,186	68,077
Basic training—average load.....	20,536	20,916	20,880
Service schools—average load.....	26,990	28,426	29,607
Officer.....	4,204	4,315	4,571
Enlisted.....	22,786	24,111	25,036
Naval Academy—average load.....	3,619	3,742	3,775
Naval Reserve Officer Training Corps.....	12,016	12,056	12,518
Civilian institutions—Number in attendance.....	944	1,046	1,297
Naval schools.....	141	141	141
Reserve training activities.....	464	457	457

2. *Weapons and facilities.*—From its worldwide responsibilities the Navy decided the number and types of aircraft to be deployed aboard carriers and ashore. The number of aircraft in turn is a factor in determining the number of pilots required and the flying hours necessary to accomplish missions and to train pilots. The flying hour program in 1962 is approximately at the 1961 level to provide for a continued level of combat readiness. This program contains increased hours for the new supersonic two-man fighter and heavy attack aircraft and corresponding reductions in the models which they replace. Operating and maintenance unit costs continue to increase for these higher performance, more complex aircraft, along with the rise in aircraft speed, power, and weight. Inventories of naval missiles, such as Terrier, Tartar, Talos, Sidewinder, Bullpup, Sparrow, and Polaris continue to increase in 1962. The additional number of missiles in operational status will require additional maintenance effort and costs. The Shore Establishment providing logistic support for these weapons systems include air stations, ammunition depots and magazines, ordnance plants and other activities.

	1960 actual	1961 estimate	1962 estimate
Average operating aircraft:			
Regular.....	6,368	6,214	6,280
Reserves.....	773	729	715
Flying hours:			
Regular (in millions).....	2.97	3.11	3.10
Reserves (in millions).....	.38	.35	.37
Aircraft reworks.....	3,566	4,178	3,625
Engine overhauls.....	10,413	9,540	9,125
Aviation training:			
Pilots completing training.....	1,600	1,500	1,500
Technical (average load).....	9,507	9,437	10,582
Tons of ammunition received, stored, and issued (in thousands).....	1,052	1,047	1,019

3. *Ships and facilities.*—The Navy plans to operate 817 active fleet and 88 Naval Reserve training ships in 1962. These naval ships comprise multipurpose forces capable

of attack, amphibious, antisubmarine and antiair warfare operations. Ships are continually deployed in the major trouble spots of the world to assist in the carrying out of American foreign policy. Other ships are in preparation for deployment or are assisting in several national programs from Antarctica to space capsule recovery. The Naval Reserve ships and crews are being kept at a level of capability to deploy with the Active Fleet in case of emergency.

The program to modernize World War II ships with modern weaponry is being continued in 1962. This program will provide additional modern capability to the fleet at much less cost than new ship construction. Newer ships with complex nuclear, electronic and missile systems; the need to keep abreast of modern warfare technology; and the increased costs of maintaining older ships account for increased costs in this activity.

	1960 actual	1961 estimate	1962 estimate
Ships (end of year).....	817	824	817
Steaming hours (based on average number of ships).....	1,984,000	1,956,000	1,923,000
Ship overhauls.....	343	314	312
Major facilities.....	28	28	28
Naval Reserve training ships.....	88	88	88

4. *Medical care.*—Medical care and hospitalization of Navy and Marine Corps personnel and their dependents is provided by operating naval hospitals, dispensaries, dental clinics, and other specialized medical facilities. The program provides for higher standards of performance, and equipment and materials required for advanced diagnostic and therapeutic procedures. Obligations for care of dependents in civilian hospitals in 1960 were \$21,525 thousand and obligations are estimated at \$21,433 thousand in 1961 and \$22,462 thousand in 1962. These activities are shown in the following table:

	1960 actual	1961 estimate	1962 estimate
Navy hospitals.....	25	25	25
Patients (average daily load):			
In Navy hospitals:			
Active duty.....	7,227	7,064	7,078
Dependents.....	1,817	1,813	1,854
Other.....	1,182	1,285	1,370
In other hospitals:			
Active duty.....	683	667	668
Dependents:			
In Federal hospitals.....	517	519	531
In non-Federal hospitals.....	984	1,069	1,082
Other.....	114	131	149
Medical personnel in training.....	3,809	4,006	4,026

5. *Civil engineering.*—In 1961 Navy family housing was placed under the management of the Bureau of Yards and Docks. The 1962 program is expanding because of additional acquisition of Capehart and Wherry units. Other programs included are (1) operations of six public works centers to provide services in areas of concentrated naval activities, and (2) engineering services for long-range construction planning and contract administration of repair and utility contracts. The Seabee forces comprised of 15 construction battalions are also supported herein.

	1960 actual	1961 estimate	1962 estimate
Housing units maintained end of year.....	60,344	66,690	69,615
Seabee battalions.....	15	15	15
Active duty Seabees.....	7,513	7,318	7,318
Value of contracts administered (in thousands).....	\$67,027	\$68,000	\$70,000

6. *Service-wide supply.*—The workload of this activity is directly 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. Planning and programming for this support, including procurement and requirements determinations, for 11 categories of material is accomplished by 11 supply demand control points of which the Aviation Supply Office at Philadelphia is the largest. Transportation costs of intra-Navy movement of material directed by these supply demand control points, including the 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, the Military Petroleum Supply Agency, and the newly established Military Industrial Supply Agency.

A summary of workload data specifically related to these programs follows:

	1960 actual	1961 estimate	1962 estimate
Supply outlets.....	37	37	37
Inventory control points.....	14	14	14
Supply actions.....	19,084,000	18,895,000	18,850,000
Tons received.....	2,438,000	2,414,000	2,408,000
Tons shipped.....	2,788,000	2,760,000	2,753,000
Tons in store (average number).....	8,715,000	8,629,000	8,608,000

7. *Service-wide operations.*—The Office of the Secretary of the Navy and the Office of the Chief of Naval Operations perform operational planning, coordination of research, and business management. In addition, the Office of the Chief of Naval Operations has planning, management and funding responsibility for naval stations, district and command headquarters, communications system activities, the Hydrographic Office, Naval Observatory, and other service activities.

	1960 actual	1961 estimate	1962 estimate
District and command headquarters....	14	14	14
Major naval stations.....	15	14	14
Major communication installations.....	19	21	21

8. *Naval petroleum reserves.*—This activity provides for Navy's share of operating and production costs in Naval Petroleum Reserve No. 1 (Elk Hills Field) in California under the unit plan contract with the Standard Oil Co. of California; supervision of oil and gas leases on Navy's lands in Naval Petroleum Reserve No. 2 (Buena Vista Hills Field) in California; drilling and production of offset wells on Naval Petroleum Reserve No. 3 (Teapot Dome Field) in Wyoming; and administration of the reserves including the hire of petroleum consultants.

[In thousands]

	1960 actual	1961 estimate	1962 estimate
Barrels of oil reserves.....	880,111	871,000	862,000
Income from oil leases (deposited in the general fund of the Treasury).....	\$13,858	\$13,900	\$13,900

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NAVY			
Personnel compensation:			
Permanent positions.....	789,973	861,449	857,950
Positions other than permanent.....	110	143	139
Other personnel compensation.....	26,530	24,377	20,612
Total personnel compensation.....	816,613	885,969	878,701

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
NAVY—Continued			
Direct obligations:			
11 Personnel compensation.....	786,477	848,060	839,351
12 Personnel benefits.....	52,144	64,342	63,549
13 Benefits for former personnel.....	71	68	68
21 Travel and transportation of persons.....	38,447	37,968	38,674
22 Transportation of things.....	77,367	73,880	74,358
23 Rent, communications and utilities.....	86,788	90,055	95,324
24 Printing and reproduction.....	13,894	15,533	15,584
25 Other services.....	668,970	681,907	699,149
Services of other agencies.....	79,218	82,764	86,400
Labor contracts with foreign governments ¹	16,289	16,438	16,378
Private foreign labor contracts ²	1,207	774	600
Labor provided by Berlin Magistrat and maintenance and minor construction at Spanish base complex ³	35	35	1,000
26 Supplies and materials.....	571,273	579,838	607,030
31 Equipment.....	157,712	43,597	58,514
32 Lands and structures.....	24,432	24,257	26,938
41 Grants, subsidies, and contributions.....	1,355	1,393	1,454
42 Insurance claims and indemnities.....	221	210	210
Unvouchered.....	5,859	6,312	7,119
Subtotal.....	2,581,759	2,567,431	2,631,700
Deduct portion of foregoing obligations originally charged to object classes 25, 26, and 31.....	8,065	7,670	7,700
Total direct obligations.....	2,573,694	2,559,761	2,624,000
Reimbursable obligations:			
11 Personnel compensation.....	30,136	37,909	39,350
12 Personnel benefits.....	1,774	2,015	2,047
21 Travel and transportation of persons.....	276	631	671
22 Transportation of things.....	165	163	173
23 Rent, communications, and utilities.....	8,182	8,974	8,935
24 Printing and reproduction.....	243	251	259
25 Other services.....	66,219	53,406	44,029
26 Supplies and materials.....	56,778	47,448	37,750
31 Equipment.....	15,223	8,568	5,480
41 Grants, subsidies, and contributions.....	55	70	70
Unvouchered.....	459	565	236
Total reimbursable obligations.....	179,509	160,000	139,000
Subtotal.....	2,753,203	2,719,761	2,763,000
Less intrafund obligations.....	28,214	24,200	24,600
Total, Navy.....	2,724,990	2,695,561	2,738,400
ALLOCATION TO ATOMIC ENERGY COMMISSION			
25 Other services.....	7,331		
Total obligations.....	2,732,320	2,695,561	2,738,400

¹ Average number of persons: 1960, 16,051; 1961, 15,465; 1962, 15,410.

² Average number of persons: 1960, 555; 1961, 399; 1962, 324.

³ Average number of persons: 1960, 11; 1961, 11; 1962, 711.

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
NAVY			
Total number of permanent positions.....	165,350	161,103	160,033
Full-time equivalent of other positions.....	18	21	21
Average number of all employees.....	155,717	157,871	156,328
Number of employees at end of year.....	153,094	155,222	156,653
Average GS grade.....	6.2	6.3	6.4
Average GS salary.....	\$5,432	\$5,918	\$5,930
Average salary of ungraded positions.....	\$5,100	\$5,317	\$5,328

OPERATION AND MAINTENANCE, MARINE CORPS

For expenses, necessary for the operation and maintenance of the Marine Corps including equipment and facilities; procurement of

OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, MARINE CORPS—Continued

military personnel; training and education of regular and reserve personnel, including tuition and other costs incurred at civilian schools; welfare and recreation; utility services for buildings erected at private cost as authorized by law, 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; [not to exceed \$40 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; losses in exchange and in accounts of disbursing officers, as authorized by law; operation of *station hospitals*, dispensaries and dental clinics; and departmental salaries; [\$174,686,000: *Provided*, That not to exceed \$7,955,000 of this amount shall be available for departmental administration] \$179,000,000. (5 U.S.C. 46, 55a, 78; 10 U.S.C. 262, 276, 5013, 5531, 6153, 6254, 6297, 6910-11, 7214, 7218, 7571, 7580; 31 U.S.C. 82a-2, 95a, 104, 492a-b; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Training and operations.....	108,976	114,714	115,204
2. Depot supply system.....	37,696	38,857	40,924
3. Transportation of things.....	8,426	8,847	8,400
4. Marine Corps Reserve training.....	4,647	4,285	4,450
5. Cataloging.....	1,393	1,590	1,590
6. Departmental administration.....	8,551	8,432	8,432
Total direct obligations.....	169,688	176,725	179,000
Reimbursable obligations:			
1. Training and operations.....	17,878	10,447	8,494
2. Depot supply system.....	2,429	5,477	5,425
4. Marine Corps Reserve training.....	107	71	71
6. Departmental administration.....	14	5	10
Total reimbursable obligations.....	20,428	16,000	14,000
Subtotal.....	190,117	192,725	193,000
Less intrafund obligations.....	1,898	2,900	3,000
Total obligations.....	188,219	189,825	190,000
Financing:			
Unobligated balance brought forward (69 Stat. 438).....	-7,517	-4,366	-----
Unobligated military assistance orders transferred to other service accounts.....	-----	3,792	-----
Advance and reimbursements from—			
Military assistance orders.....	-5,574	-----	-----
Other accounts.....	-7,849	-10,496	-9,059
Non-Federal sources (10 U.S.C. 2481 and 7581).....	-1,939	-2,030	-1,941
Unobligated balance carried forward (69 Stat. 438).....	4,366	-----	-----
Unobligated balance lapsing.....	6,145	-----	-----
New obligational authority.....	175,850	176,725	179,000
New obligational authority:			
Appropriation.....	175,850	174,686	179,000
Proposed supplemental due to pay increases.....	-----	2,039	-----

General.—The objective of the Marine Corps is to train and maintain the Fleet Marine Forces in a high state of combat readiness for service with the Fleet in amphibious

operations or for such duties as the President may direct. The Fleet Marine Forces, composed of three reinforced Marine divisions—air wing teams and related support units, are assigned to the Atlantic and Pacific Fleets, which are naval components of unified commands. In 1962, the deployment of these forces will remain substantially unchanged, and there will be a continuation of the improved readiness position attained in 1961, within available resources, through higher manning levels in combat units and the reactivation of six battalion landing teams.

This appropriation principally supports the ground elements of the Fleet Marine Forces; the operations of the three Marine air wings are financed primarily by the Operation and maintenance, Navy, appropriation. Other units supported by this appropriation include Marine detachments aboard naval vessels, landing force training units, Marine Reserve ground forces, and the security forces that guard naval bases, U.S. embassies and certain classified facilities. The major installations supported by this appropriation are:

	1960 actual	1961 estimate	1962 estimate
Operational and training bases.....	7	7	7
Supply activities.....	4	4	3
Security detachments.....	4	4	4
Administrative installations.....	2	2	2
Total.....	17	17	16

1. *Training and operations.*—Operational deployments of Fleet Marine Force units with the Atlantic and Pacific Fleets will continue in 1962 at the present tempo of activity. During 1962, a third Hawk missile battalion will be fielded to provide improved protection against low-level air attack. The Fleet Marine Forces training objectives stress the vertical envelopment concept in amphibious operations through major exercises by combined air and ground units. To support training objectives, the Corps recruits and trains military personnel and operates five major combat-unit support bases, two recruit training depots and one school.

Significant workload data for this activity are:

	1960 actual	1961 estimate	1962 estimate
Fleet Marine Forces (average number of military personnel).....	89,965	93,390	100,848
Security forces (average number of military personnel).....	12,276	11,768	11,716
Major field training exercises.....	11	9	10
Recruit training (average load).....	9,912	9,800	8,041
Other training (average load):			
Officer.....	1,954	1,500	1,594
Enlisted.....	8,090	7,202	6,039

2. *Depot supply system.*—This activity includes the overhaul and preservation of major equipment and materiel and the receipt, issue and storage of materiel to support combat forces. Major equipment repair is programed on the basis of scheduled rotation of items in the hands of troops to assure materiel readiness and to achieve a workload compatible with manpower and plant capacity. Supply-activity workload is more directly related to the level of manning and operations of combat forces. Programing and planning for this logistic support is accomplished at the Marine Corps supply activity, Philadelphia; storage and issue functions are accomplished primarily at two major supply centers. In 1962 the Corps will begin a 6-year program of overhaul and modernization of amphibious landing vehicles and will discontinue supply activity at the Marine Corps forwarding annex, San Francisco.

Related workload data follow:

	1960 actual	1961 estimate	1962 estimate
Tons received.....	75,025	83,000	84,000
Tons shipped.....	62,200	61,000	62,000

4. *Marine Corps Reserve training.*—The objective of this program is to provide a strong Reserve organization capable of rapid assimilation into the operating forces when needed. This activity finances the annual field training of Reserve units, maintenance and operation of Reserve training centers, and Marine Corps furnished supplies and equipment for ground and aviation units.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	69,637	72,917	73,532
Other personnel compensation.....	1,589	1,067	755
Total personnel compensation.....	71,226	73,984	74,287
Direct obligations:			
11 Personnel compensation.....	66,406	67,891	68,241
12 Personnel benefits.....	4,459	5,321	5,342
21 Travel and transportation of persons.....	4,676	4,303	4,527
22 Transportation of things.....	8,819	9,127	8,680
23 Rent, communications, and utilities.....	10,040	10,140	10,300
24 Printing and reproduction.....	1,086	1,126	1,125
25 Other services.....	10,949	12,437	12,679
26 Supplies and materials.....	58,687	63,206	65,044
31 Equipment.....	3,046	2,383	2,270
32 Lands and structures.....	1,477	738	740
41 Grants, subsidies, and contributions.....	43	52	52
Total direct obligations.....	169,688	176,725	179,000
Reimbursable obligations:			
11 Personnel compensation.....	4,820	6,092	6,046
12 Personnel benefits.....	327	448	461
21 Travel and transportation of persons.....	49	127	50
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	661	611	600
24 Printing and reproduction.....	1	34	34
25 Other services.....	330	310	310
26 Supplies and materials.....	14,009	8,020	6,205
31 Equipment.....	44	358	294
32 Lands and structures.....	186		
Total reimbursable obligations.....	20,428	16,000	14,000
Subtotal.....	190,117	192,725	193,000
Less intrafund obligations.....	1,898	2,900	3,000
Total obligations.....	188,219	189,825	190,000

Personnel Summary

Total number of permanent positions.....	15,870	15,242	15,199
Average number of all employees.....	14,838	14,805	14,869
Number of employees at end of year.....	14,677	14,619	14,724
Average GS grade.....	5.2	5.4	5.4
Average GS salary.....	\$4,728	\$5,206	\$5,229
Average salary of ungraded positions.....	\$4,643	\$4,764	\$4,749

OPERATION AND MAINTENANCE, AIR FORCE

For expenses, not otherwise provided for, necessary for the operation, maintenance, and administration of the Air Force, including the Air Force Reserve and the Air Reserve Officers' Training Corps; 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 build-

ings 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 \$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; 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 \$6,000,000 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; [\$4,243,398,000, of which not to exceed \$16,000,000 shall be available for the operation and maintenance of the Air Force Academy: *Provided*, That not to exceed \$91,379,000 of the funds appropriated in this Act for the Air Force shall be available for departmental administration] \$4,340,000,000. (5 U.S.C. 43, 55a, 73b-1-6-3, 75a, 78, 103a, 118a, c, f-h, 150, 1082, 1111-33, 2171-96, 2201-2209, 2251-2254, 2301, 2351-58, 3006; 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, 2664, 2670, 2672, 2674-75, 7203, 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; 20 U.S.C. 77d; 31 U.S.C. 22a, 95a, 492a-492c; 37 U.S.C. 304, 352-53; 38 U.S.C. 3703; 39 U.S.C. 142; 40 U.S.C. 34-35, 523; 42 U.S.C. 1594-1594g, 1594h-1594j, 1856-56d; 43 U.S.C. 315g; 44 U.S.C. 111; 50 U.S.C. 451-62, 491, 70A Stat. 633; 74 Stat. 298, 325, 331, 337, 792; *Department of Defense Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Aircraft fuel and oil.....	524,440	501,547	486,400
2. Logistical support.....	1,539,216	1,615,028	1,623,407
3. Training support.....	340,741	365,790	321,900
4. Operational support.....	1,321,376	1,359,588	1,389,661
5. Medical support.....	131,245	144,716	149,000
6. Servicewide support.....	288,032	319,329	365,267
7. Contingencies.....	3,535	4,293	4,365
Total direct obligations.....	4,148,585	4,310,291	4,340,000
Reimbursable obligations:			
1. Aircraft fuel and oil.....	5,662	4,436	3,485
2. Logistical support.....	187,579	181,504	162,682
3. Training support.....	12,459	10,251	10,023
4. Operational support.....	54,257	63,363	60,506
5. Medical support.....	19,818	20,153	21,332
6. Servicewide support.....	3,535	3,293	3,972
7. Contingencies.....	2		
Total reimbursable obligations.....	283,311	283,000	262,000
Total obligations.....	4,431,896	4,593,291	4,602,000
Financing:			
Comparative transfers to other accounts.....	809		
Comparative transfers from other accounts (goods and services provided by Berlin Magistrat).....	-2,456	-2,004	

OPERATION AND MAINTENANCE—Continued**Current authorizations—Continued**

OPERATION AND MAINTENANCE, AIR FORCE—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance brought forward (69 Stat. 438).....	—4,595	—4,244	-----
Unobligated military assistance orders transferred to other service accounts.....	4,592	-----	-----
Advances and reimbursements from—			
Military assistance orders.....	—15,230	—32,000	-----
Other accounts.....	—237,052	—214,913	—229,598
Non-Federal sources ¹	—35,271	—31,843	—32,402
Unobligated balance carried forward (69 Stat. 438).....	4,244	-----	-----
Unobligated balance lapsing.....	46,994	-----	-----
New obligational authority.....	4,193,932	4,308,287	4,340,000
New obligational authority:			
Appropriation.....	4,195,006	4,243,398	4,340,000
Transferred to—			
"Operation and maintenance, Army", (5 U.S.C. 172f(a)).....	—1,074	-----	-----
"Operating expenses, National Archives and Records Service," General Services Administration (5 U.S.C. 630E).....	-----	—811	-----
Appropriation (adjusted).....	4,193,932	4,242,587	4,340,000
Proposed supplemental due to pay increases.....	-----	65,700	-----

¹ Reimbursements from non-Federal sources are principally sales of surplus U.S. Government property; and sales to individuals of goods and services, including subsistence of hospital patients, surcharges on commissary sales and unofficial telephone service.

This appropriation finances the daily operating expenses required for Air Force combat forces as well as for supporting forces. It provides the financial resources to transform the military personnel, facilities and equipment financed by other appropriations into a combat readiness of strategic, tactical and defense forces. Inherent in our military posture are significant changes in the composition of the forces with parallel changes occurring in the support forces. These changes are brought about by the introduction of strategic, tactical, and defense missiles of improved performance accompanied by the phase out of older weapons systems and concomitant numerical reductions in the manned aircraft inventory. These forces and their related training, logistic, and administrative support components will be manned by an average active duty military personnel strength of 824,000 and 270,250 civilian personnel. While the military and civilian manpower programs remain relatively constant in 1961 and 1962 the number of dependent personnel is estimated to increase from 1,595,000 to 1,615,000. The increase in dependents has a significant effect on this appropriation, primarily in the medical care, family housing, and base support programs.

Examples of the changes occurring in the force structure of the Air Force are found in the strategic field. Atlas missile units are already in operation. During 1962 additional Atlas squadrons are programmed to become operational as are the first Titan squadrons. During this period the strategic bomber force will decrease in total numbers, although the reduction of approximately 25% in the B-47 medium bomber force will be partially offset by increasing quantities of B-52 heavy bombers. Because

of their much greater range, larger bomb load, greater speed, more advanced electronics systems and missile launching potential, the lesser number of new B-52's will provide a greater capability than was provided by the B-47's being phased out.

The air defense area is experiencing major program adjustments designed to create the most effective degree of defense possible within current and expected resources. During 1962 Air Force units assigned to the unified commander will have in operation additional Bomarc interceptor missiles, fighter interceptor units reequipped with more modern aircraft, and an improved radar network. Concurrently there will be a reduction of one wing in manned air defense units. The current objective of 22 SAGE Direction Centers will be attained and two ballistic missile early warning sites will be fully operational.

An overall improved posture is also programmed for the tactical forces. In the oversea areas, tactical missiles of improved performance are expected and manned aircraft units both overseas and within the United States will receive more modern F-105 aircraft as replacements for F-100's.

The foregoing changes in composition of the combat force structure of the Air Force have a significant financial impact on this appropriation. For example the hourly operation and maintenance cost to fly a B-52 is \$760 as compared to \$397 for a B-47. In the tactical forces the hourly cost of an F-105 is \$468 as compared to \$177 for an F-100.

Provision has also been made for additional flying hours for the Strategic Air Command to perform airborne alert indoctrination training.

1. *Aircraft fuel and oil.*—This program covers funds for aviation fuel and oil to support the operation of all Air Force and Air Force Reserve aircraft except those assigned to research and development activities and that portion of the airlift services of the Military Air Transport Service which is financed by the Air Force industrial fund. While there is an overall reduction in flying hours from 1961 to 1962 there are numerous variations in the aircraft type and model composition of the total activity. Generally, the types of aircraft for which increased hours are provided are more expensive to operate than the aircraft leaving the inventory. For example, increased hours are provided for the B-52, KC-135, F-106, F-105, F-102, F-101, T-38 and T-37. These are offset by decreases due to the continued phase out of the B-47/KC-97 programs and the reduced use of T-33 aircraft.

The following table reflects the fiscal year comparison of the principal program elements supported by these funds:

	1960 actual	1961 estimate	1962 estimate
Total active aircraft, end of year:			
Regular Air Force.....	14,231	12,846	12,322
Air Force Reserve.....	770	828	797
Aircraft flying hours:			
Regular Air Force.....	6,173,722	5,516,711	5,385,700
Air Force Reserve.....	165,891	158,579	185,333

These flying hours provide for the training of strategic, tactical and defense units as well as individuals for possible later assignment to flying units.

2. *Logistical support.*—This activity finances the operation of the Air Force depot system, including the costs related to procurement, storage, distribution and maintenance of Air Force materiel. The changing composition of the Air Force in 1962 with greater emphasis on missiles, sophistication of the warning network, and a greater proportion of higher performance planes in the aircraft inventory all affect the logistic support workload. The

introduction of additional operational missile squadrons, activation of the ballistic missile early warning stations, and further expansion of the communications network including the SAGE program will increase the maintenance program under this activity. The current concept provides for major depot maintenance of missiles to be performed at the operational site with only the components of the missile being returned to overhaul facilities. Depot level maintenance will be largely done through the use of teams dispatched to the operating site.

In 1962, this activity will finance the depot maintenance costs of certain types of aircraft which were classified as modernization aircraft in 1961 and for which the maintenance expenses were included in the "Aircraft procurement" appropriation as a part of the modernization costs.

In the transportation area financed by this budget activity, provision is made for the modernization of the Logair network, which is the contract airlift system for the logistic support of the Air Force within continental U.S. under the control and supervision of the Air Materiel Command. This program will begin in the latter half of 1961. The newer aircraft, the Argosy, will replace C-46/C-54 aircraft now being used by contractors in the operation of the Logair system.

The following shows workload in the logistic support program:

	1960 actual	1961 estimate	1962 estimate
Dollar value of depot-level maintenance.....	687,410,100	682,347,000	713,891,000
Supply depots.....	15	12	11
Inventory control points.....	11	11	11
Supply actions.....	35,115,316	34,432,000	33,633,000
Tons received and shipped (U.S. depots).....	1,977,600	1,951,000	1,834,000

3. *Training support.*—This provides for the individual training of officers, airmen, and cadets, as contrasted with the training of combat units. Operating costs of the Air Force Reserve program are also included.

The decrease in costs in 1962 is related to the transfer of missile training to Air Force facilities from the more expensive contracted training, and to the consolidated pilot training program. That program, which is being implemented in 1961, reduces the number of pilot training bases from five contractor-operated primary schools and six Air Force operated basic schools to seven consolidated Air Force schools.

Technical training loads will remain relatively stable overall. Courses of instruction providing skills for new weapons systems and the need to replace personnel losses in specific skill areas, offset the phaseout of courses no longer required.

The flying portion of the Reserve training program continues at 15 wings. Two wings now using two engine C-119 aircraft will be reequipped with four engine C-124 aircraft by the end of 1962.

Major elements of the Air Force training program are tabulated below:

	1960 actual	1961 estimate	1962 estimate
Basic military and technical training (average training load).....	43,046	47,222	44,660
Service schools:			
Advanced technical training (average training load).....	4,901	4,868	4,986
Air University (average training load).....	2,657	2,522	2,382
Undergraduate flying training (average training load):			
Pilot training.....	2,900	2,047	1,956
Navigator training.....	2,040	2,053	1,273
Air Force Academy (average cadet load).....	1,517	1,842	2,174
Civilian institutions (input).....	2,191	2,472	2,494

	1960 actual	1961 estimate	1962 estimate
Language training (average training load).....	1,015	1,100	1,220
Factory training (average training load).....	1,431	1,355	1,126
(Missile training input included in various training above).....	9,147	12,719	13,179
Reserve training:			
Reservists in pay status (average strengths).....	65,121	66,401	67,101
AFROTC graduates.....	3,785	3,489	3,608

4. *Operational support.*—This activity provides for the day-to-day operating requirements at air base level of all the combat forces, the several operational support commands, SAGE, DEWLINE, BMEWS, and ballistic missile squadrons. This includes on-the-line maintenance of aircraft and weapons, care of the airfields, operation of the control towers, maintenance of troop and family housing and all other day-to-day expenses customary at air base level to keep the forces operationally ready.

The change in Air Force composition has a significant impact on this budget activity during 1962. Most of the increased funds are related to the support of missile programs and air defense systems. During 1962, this program will support two additional SAGE centers, equipment and operation of 13 additional missile squadrons and 20 additional air defense gap filler stations. The overall number of major installations supported by this budget program reduces from 176 in 1961 to 166 in 1962.

The following table shows comparative data for 3 years detailed by function.

MAJOR OPERATIONAL INSTALLATIONS				
Type	1960 actual	1961 estimate	1962 estimate	
Strategic.....	67	66	62	
Air Defense.....	30	29	29	
Tactical.....	69	65	61	
Other.....	16	16	14	
Total.....	182	176	166	

Because of the special characteristics of missile sites the above table does not reflect the impact of the increased numbers of such separate facilities becoming operational in 1962. It does include those regular Air Force installations which have been designated as support bases for the respective missile squadrons. With variations depending upon the particular weapon system involved, missile sites generally consist of a number of launch stations dispersed at varying distances from a launch control center. Each launch complex is self-sufficient with respect to electrical power and communications. This assures that the highly complex equipment installed can be maintained in a state of constant readiness.

This activity also finances that portion of the Military Air Transport Service airlift not financed under Industrial Fund tariffs. This airlift includes medical evacuation, special air missions and Air Force troop carrier responsibilities in support of Army units. The latter is programed at a higher level than in 1961.

5. *Medical support.*—This activity covers the cost of medical care of Air Force personnel, active and retired, and their families and includes the operation of hospitals and other medical treatment facilities. An increase in dependent population will result in greater use of civilian facilities for dependents' treatment.

Selected major workloads are shown in the following table:

	1960 actual	1961 estimate	1962 estimate
Hospitals.....	133	133	130
Patients (average daily load):			
In Air Force hospitals:			
Active duty.....	4,750	4,844	4,804
Dependents.....	3,319	3,499	3,510
Other.....	471	465	532

OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE, AIR FORCE—Continued

	1960 actual	1961 estimate	1962 estimate
Patients (average daily load)—Con.			
In other hospitals:			
Active duty.....	1,193	1,148	1,166
Dependents:			
In Federal hospitals.....	840	871	876
In non-Federal hospitals.....	1,258	1,479	1,614
Other.....	80	102	119
Medical personnel in training (entries).....	9,022	11,760	11,077

6. *Service-wide support.*—This support includes the operations of Air Force and various command headquarters, air attaché and mission offices, intelligence efforts and the lease of commercial communication systems and networks. An increasing communications program in 1962 is related to air defense warning systems, to launching control of missiles, and to the operation of a new communication network linking all depots and major bases with one another.

7. *Contingencies.*—These are extraordinary expenses approved and certified by the Secretary of the Air Force.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	1,447,643	1,498,797	1,482,190
Positions other than permanent.....	2,608	2,635	2,642
Other personnel compensation.....	50,928	43,149	36,850
Total personnel compensation.....	1,501,179	1,544,581	1,521,682
12 Personnel benefits.....	104,534	120,676	118,913
21 Travel and transportation of persons.....	132,041	141,157	141,651
22 Transportation of things.....	202,072	206,179	207,408
23 Rent, communications, and utilities.....	286,056	344,913	410,531
24 Printing and reproduction.....	28,515	27,622	27,374
25 Other services.....	707,920	785,176	796,068
Services of other agencies.....	130,757	124,896	126,954
Labor contracts with foreign governments ¹	72,567	73,212	76,134
26 Supplies and materials.....	881,515	850,600	824,209
31 Equipment.....	98,946	88,093	86,004
41 Grants, subsidies, and contributions.....	2,948	3,663	3,559
44 Refunds.....	32	13	13
Subtotal.....	4,149,082	4,310,781	4,340,500
Deduct quarters and subsistence charges.....	497	490	500
Total direct obligations.....	4,148,585	4,310,291	4,340,000
Reimbursable obligations:			
21 Travel and transportation of persons.....	2,420	2,709	2,700
22 Transportation of things.....	2,214	5,367	4,726
23 Rent, communications, and utilities.....	7,110	9,187	9,506
24 Printing and reproduction.....	1,633	2,653	1,976
25 Other services.....	210,678	206,554	186,254
Services of other agencies.....	2,801	2,368	2,300
26 Supplies and materials.....	55,969	53,448	53,824
31 Equipment.....	485	714	714
Total reimbursable obligations.....	283,311	283,000	262,000
Total obligations.....	4,431,896	4,593,291	4,602,000

Personnel Summary

Total number of permanent positions.....	292,218	281,753	277,820
Full-time equivalent of other positions.....	426	407	407
Average number of all employees.....	282,797	275,256	270,250
Number of employees at end of year.....	278,735	270,335	270,111
Average GS grade.....	6.5	6.6	6.6
Average GS salary.....	\$5,320	\$5,812	\$5,832
Average salary of ungraded positions.....	\$5,366	\$5,641	\$5,663

¹ Average number of foreign nationals rendering services under contract were 47,506 in 1960, 46,027 in 1961, and will be 44,494 in 1962.

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] *Commonwealth of Puerto Rico*, and the District of Columbia, as authorized by law; and expenses of repair, modification, maintenance, and issue of supplies and equipment (including aircraft); **[\$162,001,000]** **\$171,300,000**: *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 anti-aircraft 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. (5 U.S.C. 43, 78; 10 U.S.C. 261–280, 2231–2233, 2511; 32 U.S.C. 107, 701, 702, 709; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Command and management.....	1,626	1,681	1,700
2. Training.....	1,697	1,840	1,700
3. Materiel.....	8,078	6,100	5,800
4. Supplies and repair parts.....	15,038	14,400	14,500
5. Services, including equipment maintenance.....	108,160	116,371	119,300
6. Antiaircraft defense.....	16,167	25,924	28,300
Total direct obligations.....	150,766	166,316	171,300
Reimbursable obligations:			
3. Materiel.....	76		
4. Supplies and repair parts.....	120	50	50
5. Services, including equipment maintenance.....	2	10	10
Total reimbursable obligations.....	198	60	60
Total obligations.....	150,964	166,376	171,360
Financing:			
Advances and reimbursements from—			
Other accounts.....	—188	—60	—60
Non-Federal sources ¹	—10		
Unobligated balance lapsing.....	933		
New obligatory authority.....	151,700	166,316	171,300
New obligatory authority:			
Appropriation.....	151,700	162,001	171,300
Proposed supplemental due to pay increases.....		4,315	

¹ Reimbursements from non-Federal sources are derived from commercial carriers for loss of property damaged in transit (31 U.S.C. 489a).

The 1962 program will provide support for a year-end strength of 360,000 men, about 10% less than 1961. Twenty and one-half missile battalions, the same number as at the end of 1961, will participate in the active anti-aircraft defense program. The operating expenses of these battalions include the costs of 4,325 State civilian employees who are members of these units and who maintain Nike missile sites in a state of operational readiness

which will permit their immediate use in the event of an emergency.

The program also provides for employment of 182 civilians in the National Guard Bureau, and 17,454 other State civilian employees for the administration of the 4,500 units, maintenance and repair of equipment, and operation of State and Federal field training camps.

For 1962, funds have been included in the amount of \$2.8 million to initiate payment of the employer's contribution to States which authorize civilian employees paid from this appropriation to participate in their retirement systems. Since the pay rates of such employees are equated to those of comparable Federal employees, the total employer's contribution to be paid from Federal funds is limited to the rate authorized for Federal employees participating in the Civil Service retirement system.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	983	1,064	1,063
Positions other than permanent.....	1,624	1,338	1,338
Other personnel compensation.....	22	6	7
Total personnel compensation, Federal.....	2,629	2,408	2,408
Total personnel compensation, non-Federal.....	103,525	121,360	124,358
Total personnel compensation.....	106,154	123,768	126,766
12 Personnel benefits.....	3,810	3,790	6,095
21 Travel and transportation of persons.....	2,401	2,767	2,760
22 Transportation of things.....	2,978	2,532	2,507
23 Rent, communications, and utilities.....	1,916	1,980	2,544
24 Printing and reproduction.....	988	1,026	1,045
25 Other services.....	6,841	6,862	6,552
26 Supplies and materials.....	21,914	19,340	18,939
31 Equipment.....	3,036	3,501	3,342
32 Lands and structures.....	731	750	750
Total direct obligations.....	150,766	166,316	171,300
Reimbursable obligations:			
26 Supplies and materials.....	198	60	60
Total obligations.....	150,964	166,376	171,360

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Number of permanent Federal positions.....	186	186	186
Number of permanent non-Federal positions.....	20,742	22,100	22,100
Total number of permanent positions.....	20,928	22,286	22,286
Full-time equivalent of other positions.....	345	305	305
Average number of Federal employees.....	527	487	487
Average number of non-Federal employees.....	19,339	21,255	21,779
Average number of all employees.....	19,866	21,742	22,266
Number of Federal employees at end of year.....	589	550	550
Number of non-Federal employees at end of year.....	20,678	21,879	21,879
Number of employees at end of year.....	21,267	22,429	22,429
Average GS grade.....	6.1	6.2	6.2
Average GS salary.....	\$5,351	\$5,826	\$5,841
Average salary of non-Federal positions.....	\$5,353	\$5,710	\$5,710

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]** *Commonwealth of Puerto Rico*, 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; **[\$187,291,000] \$193,400,000: 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 and such caretakers may be employed without regard to their military rank as members of the Air National Guard: *Provided further,* That obligations may be incurred under this appropriation without regard to section 107 of title 32, United States Code. (5 U.S.C. 22, 43, 78; 10 U.S.C. 2231-38, 2511, 8012, 8721-23, 9741, 9743; 32 U.S.C. 106-07, 320, 701-14; 37 U.S.C. 253; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations: Operation and maintenance.....	167,898	189,481	193,400
Reimbursable obligations: Operation and maintenance.....	333	949	1,000
Total obligations.....	168,232	190,430	194,400
Financing:			
Advances and reimbursements from—			
Other accounts.....	-296	-909	-960
Non-Federal sources ¹	-38	-40	-40
Unobligated balance lapsing.....	1,102		
New obligational authority.....	169,000	189,481	193,400
New obligational authority:			
Appropriation.....	169,000	187,291	193,400
Proposed supplemental due to pay increases.....		2,190	

¹ Reimbursements from non-Federal sources derived from utilities and services furnished to private contractors.

This appropriation provides for all operation and maintenance costs of the Air National Guard as a Reserve component of the Air Force. It includes funds for the operation of Air National Guard installations, including unit equipment and the pay of 13,847 State civilian employees. The significant elements of the program are summarized in the following table:

	1959 actual	1960 actual	1961 planned	1962 proposed
Aircraft:				
Jet.....	2,177	2,009	1,978	1,631
Other types.....	232	260	221	342
Flying hours.....	466,000	443,334	457,215	448,119
Federally recognized units.....	567	567	567	567
Number of installations.....	136	135	135	137

For 1962, funds have been included in the amount of \$1.8 million to initiate payment of the employer's contribution to States which authorize civilian employees paid from this appropriation to participate in their retirement systems. Since the pay rates of such employees are equated to those of comparable Federal employees, the total employer's contribution to be paid from Federal funds is limited to the rate authorized for Federal employees participating in the Civil Service retirement system.

OPERATION AND MAINTENANCE—Continued**Current authorizations—Continued**

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation: Non-Federal.....	75,302	81,916	84,051
12 Personnel benefits.....	1,813	1,961	3,759
21 Travel and transportation of persons.....	812	1,075	1,075
22 Transportation of things.....	2,700	3,790	2,940
23 Rent, communications, and utilities.....	483	325	293
24 Printing and reproduction.....	19	25	22
25 Other services.....	54,854	64,646	66,275
26 Supplies and materials.....	31,622	35,302	34,598
31 Equipment.....	293	441	387
Total direct obligations.....	167,898	189,481	193,400
Reimbursable obligations:			
25 Other services.....	333	949	1,000
Total obligations.....	168,232	190,430	194,400

Personnel Summary

Total number of permanent non-Federal positions.....	14,084	15,197	15,197
Average number of non-Federal employees.....	13,162	13,480	13,847
Number of non-Federal employees at end of year.....	13,158	13,760	13,891
Average salary of non-Federal positions.....	\$5,722	\$6,070	\$6,070

NATIONAL BOARD FOR THE PROMOTION OF RIFLE PRACTICE, ARMY

For the 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 \$21,000 for incidental expenses of the National Board, **[\$501,000]** \$500,000: *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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
National headquarters, marksmanship training, and competitions (total obligations).....	298	501	500
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation).....	300	501	500

The National Board for the Promotion of Rifle Practice continues to promote civilian interest in small arms marksmanship. It provides assistance to 4,931 rifle clubs and schools with 278,446 members. This assistance includes the loan and repair of rifles and equipment; free issue of targets and supplies for use in marksmanship practice; and the free issue of trophies, medals, and badges for marksmanship. Funds are provided to partially defray the travel expense of State civilian shooting teams to the national matches. The principal increase in 1961 and 1962 is for the first two payments to the State of Ohio under the proposed 25-year lease of Camp Perry.

The program is augmented by the free issue of ammunition, purchased with funds provided under other appropriations, to members of rifle clubs and to competitors at national, regional, and State competitions.

[In thousands of dollars]

1960 actual 1961 estimate 1962 estimate

Dollar value of ammunition issued without charge..... 1,218 1,467 1,589

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	83	92	92
12 Personnel benefits.....	6	8	8
21 Travel and transportation of persons.....	61	103	82
22 Transportation of things.....	2	3	3
23 Rent, communications, and utilities.....	1	151	151
25 Other services.....	23	20	24
26 Supplies and materials.....	64	67	75
31 Equipment.....	58	57	65
Total obligations.....	298	501	500

Personnel Summary

Total number of permanent positions.....	20	20	20
Average number of all employees.....	18	18	18
Number of employees at end of year.....	21	19	19
Average GS grade.....	5.2	5.4	5.4
Average GS salary.....	\$4,530	\$5,086	\$5,112

OPERATION AND MAINTENANCE, ALASKA COMMUNICATION SYSTEM, ARMY

For expenses necessary for the operation, maintenance, and improvement of the Alaska Communication System, **[\$7,000,000]** \$6,300,000, 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; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Construction of radio, telephone, telegraph and cable systems.....	1,265	686	40
2. Operation and maintenance of the system.....	5,654	6,544	6,260
Total direct obligations.....	6,919	7,230	6,300
Reimbursable obligations:			
2. Operation and maintenance of the system.....	4		
Total obligations.....	6,923	7,230	6,300
Financing:			
Unobligated balance brought forward.....	-621		
Advances and reimbursements from—			
Other accounts.....	-3		
Non-Federal sources (44 Stat. 576; 61 Stat. 501).....	-1		
Unobligated balance lapsing.....	73		
New obligational authority.....	6,371	7,230	6,300

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Definite appropriation.....	5,676	7,000	6,300
Indefinite appropriation.....	695		
Appropriation.....	6,371	7,000	6,300
Proposed supplemental due to pay increases.....		230	

The Alaska Communication System provides telegraph and long-distance telephone service for Alaska. Although legislation to authorize the sale of the system is to be proposed to the Congress, the sale is not anticipated until after 1962. Pending sale and transfer of facilities to private ownership, no significant expansion of the system is planned. Interconnection with the BMEWS rearward communications facilities is being provided in 1961 and 1962.

The amount appropriated provides for all expenses incident to normal maintenance and operation of the system and equipment modernization, except for costs of compensation of military personnel assigned.

Revenue from commercial customers was \$4.7 million in 1960 and is estimated at \$4.8 million for 1961 and \$5 million for 1962. Except for a portion of the 1960 receipts utilized for minor capital improvements, this revenue is deposited to miscellaneous receipts of the Treasury.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	2,825	3,471	3,805
Other personnel compensation.....	412	453	510
Total personnel compensation.....	3,237	3,924	4,315
12 Personnel benefits.....	193	273	309
21 Travel and transportation of persons.....	134	131	129
22 Transportation of things.....	63	83	78
23 Rent, communications, and utilities.....	1,375	1,638	662
24 Printing and reproduction.....	7	6	6
25 Other services.....	146	188	289
26 Supplies and materials.....	353	269	365
31 Equipment.....	1,411	718	147
Total direct obligations.....	6,919	7,230	6,300
Reimbursable obligations:			
26 Supplies and materials.....	4		
Total obligations.....	6,923	7,230	6,300

Personnel Summary

Total number of permanent positions.....	607	673	723
Average number of all employees.....	539	614	663
Number of employees at end of year.....	607	673	723
Average GS grade.....	4.9	4.8	4.8
Average GS salary.....	\$4,598	\$4,874	\$4,885
Average salary of ungraded positions.....	\$8,607	\$8,746	\$8,703

SALARIES AND EXPENSES, SECRETARY OF DEFENSE

For expenses necessary for the Office of the Secretary of Defense, including purchase (not to exceed [five] one for replacement only [including two at not to exceed \$2,900 each]) and hire of passenger motor vehicles; and not to exceed \$60,000 for emergency and ex-

traordinary 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; [\$18,975,000] \$21,000,000. (74 Stat. 344; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direction and coordination of defense activities (total obligations).....	20,454	19,850	21,000
Financing:			
Unobligated balance lapsing.....	46		
New obligational authority.....	20,500	19,850	21,000
New obligational authority:			
Appropriation.....	20,500	18,975	21,000
Proposed supplemental due to pay increases.....		875	

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. These activities will continue at substantially the same level in 1962 as in 1960 and 1961. The increase in the 1962 estimate is primarily for support of the Weapons Systems Evaluation Group and special research studies.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	11,539	12,499	12,573
Positions other than permanent.....	149	170	174
Other personnel compensation.....	425	400	355
Total personnel compensation.....	12,113	13,069	13,102
12 Personnel benefits.....	801	968	972
21 Travel and transportation of persons.....	1,113	980	1,181
22 Transportation of things.....	5	6	6
23 Rent, communications, and utilities.....	426	449	465
24 Printing and reproduction.....	193	207	207
25 Other services.....	5,040	3,566	4,457
26 Supplies and materials.....	315	305	310
31 Equipment.....	448	300	300
Total obligations.....	20,454	19,850	21,000

Personnel Summary

Total number of permanent positions.....	1,478	1,509	1,428
Full-time equivalent of other positions.....	17	17	17
Average number of all employees.....	1,432	1,429	1,435
Number of employees at end of year.....	1,541	1,478	1,478
Average GS grade.....	9.2	9.2	9.2
Average GS salary.....	\$7,913	\$8,522	\$8,542

CONTINGENCIES, DEPARTMENT OF DEFENSE

For emergencies and extraordinary expenses arising in the Department of Defense, to be expended on the approval or authority of the

OPERATION AND MAINTENANCE—Continued

Current authorizations—Continued

CONTINGENCIES, DEPARTMENT OF DEFENSE—Continued

Secretary of Defense and such expenses may be accounted for solely on his certificate that the expenditures were necessary for confidential military purposes, **[\$15,000,000]** \$30,000,000: *Provided*, That a report of disbursements under this item of appropriation shall be made quarterly to the Appropriations Committees of the Congress. (74 Stat. 344; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Emergency and extraordinary expenses (unvouchered).....	1,818	15,000	30,000
Financing:			
Unobligated balance lapsing.....	13,182		
New obligational authority (appropriation)	15,000	15,000	30,000

This appropriation provides the Secretary of Defense with funds to meet emergencies and extraordinary expenses arising in connection with the national security and for such other purposes as he deems proper.

CLAIMS, DEPARTMENT OF DEFENSE

For payment of claims [by the Office of the Secretary of Defense, the Army] (except as provided in appropriations for civil functions administered by the Department of the Army), Navy, Marine Corps, and Air Force,] as authorized by law; claims, *not otherwise provided for in section 715, title 10, United States Code* (not to exceed \$1,000 in any one case), for damages to or loss of private property incident to the operation of Army and Air National Guard camps of instruction, either during the stay of units of said organizations at such camps or while en route thereto or therefrom; claims for damages arising under training contracts with carriers; and repayment of amounts determined by the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, or officers designated by them, to have been erroneously collected from military and civilian personnel of the Departments of the Army, Navy, and Air Force or from States, Territories, or the District of Columbia, or members of National Guard units thereof; **[\$16,575,000]** \$19,000,000. (74 Stat. 345; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Personnel claims.....	7,084	6,898	8,168
2. Tort claims.....	9,154	9,222	10,212
3. Admiralty claims.....	597	420	580
4. Other miscellaneous claims.....	23	35	40
Total obligations (object class 42).....	16,858	16,575	19,000
Financing:			
Comparative transfers (goods and services provided by Berlin Magistrat).....	-476		
Unobligated balance lapsing.....	118		
New obligational authority (appropriation)	16,500	16,575	19,000

This appropriation provides for the payment of all noncontractual claims against the Department of Defense as authorized by law. The estimate represents the consolidated requirements of the Office of the Secretary of Defense and the Departments of the Army, Navy (including the Marine Corps) and Air Force. An additional amount required in 1961 to settle additional claims is shown under Proposed for later transmission.

SALARIES AND EXPENSES, COURT OF MILITARY APPEALS,
DEPARTMENT OF DEFENSE

For salaries and expenses necessary for the Court of Military Appeals, **[\$425,000]** \$445,000. (74 Stat. 345; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Military justice (total obligations).....	401	425	445
Financing:			
Unobligated balance lapsing.....	24		
New obligational authority (appropriation)	425	425	445

The U.S. Court of Military Appeals serves as the court of last resort for all of the more serious court-martial convictions of military personnel. The number of cases docketed totaled 1,336 in 1959 and 1,021 in 1960. Based on the first 4 months of operation, an approximate number of 1,000 cases is anticipated for this fiscal year. The number of opinions released by the court totaled 159 in 1959 and 150 in 1960, and it is estimated that a similar number will be published during 1961.

In compliance with the mandatory requirement of article 67 of the Uniform Code of Military Justice, the court is maintaining a current docket with the review completed, as of December 2, 1960, in 14,702 cases out of 14,825 cases filed since the court's establishment in 1951, leaving a balance of 123 under review.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	329	352	368
Other personnel compensation.....	3	2	
Total personnel compensation.....	332	354	368
12 Personnel benefits.....	22	28	29
21 Travel and transportation of persons.....	6	5	7
23 Rent, communications, and utilities.....	8	9	10
24 Printing and reproduction.....	22	17	17
25 Other services.....	2	2	2
26 Supplies and materials.....	5	5	6
31 Equipment.....	4	5	6
Total obligations.....	401	425	445

Personnel Summary

Total number of permanent positions.....	41	41	41
Average number of all employees.....	38	38	40
Number of employees at end of year.....	41	41	41
Average GS grade.....	8.2	8.6	8.6
Average GS salary.....	\$7,059	\$7,768	\$7,794

OPERATION AND MAINTENANCE, OLYMPIC WINTER GAMES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Olympic winter games (total obligations) (object class 25).....	800		
Financing:			
New obligational authority (appropriation).....	800		

This appropriation provided Department of Defense support to the VIII Olympic Winter Games at Squaw Valley, Calif. during fiscal year 1960.

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Operation and Maintenance

Program and Financing (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Inter-American geodetic surveys.....	119		350
2. Far East geodetic surveys.....		350	
3. Furniture procurement.....	800		
Total obligations (object class 25).....	919	350	350
Financing:			
Unobligated balance brought forward.....	-1,780	-700	-350
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	338		
Unobligated balance carried forward.....	700	350	
Unobligated balance lapsing.....	1,323		
Authorization to expend foreign currency receipts (7 U.S.C. 1704).....	1,500		

Under the authority to procure goods and services for the common defense with foreign currencies derived from the sale of surplus agricultural commodities, the Department of the Army supplemented its funds appropriated to support the Inter-American Geodetic Survey and a limited geodetic survey operation in the Far East. The Department of the Air Force supplemented its funds appropriated for the procurement of furniture in Europe for military family housing in foreign countries.

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	41	494	169
Obligations incurred during year.....	919	350	350
Obligated balance carried forward.....	-494	-169	-119
Expenditures.....	466	675	400

Status of Unfunded Allocations (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	1,774		
Adjustment due to changes in exchange rates to permit conversion to dollars.....	-339		
Allocations.....	800	700	
Unfunded balance lapsing.....	-1,323		
Transfers into Department of Defense accounts.....	912	700	

Value of Goods and Services Provided by the Berlin Magistrat (for Occupation Costs and Mandatory Expenditures)

Program and Financing—Without Purchase (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts:			
“Operation and maintenance, Army”:			
Tactical forces.....	7,960	8,689	
Training activities.....	5	5	
Central supply activities.....	1,760	1,922	
Medical activities.....	551	602	
Servicewide activities.....	1,038	1,133	

Program and Financing—Without Purchase (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Comparative transfers to other accounts— Continued			
“Operation and maintenance, Navy”:			
Ships and facilities.....	35	35	
“Operation and maintenance, Air Force”:			
Operational support.....	2,456	2,004	
“Claims, Department of Defense”: Tort claims.....	476		
“Procurement of equipment and missiles, Army”.....		335	
“Military construction, Army”: Major construction.....	2,119	1,855	
Total value of goods and services provided by the Berlin Magistrat without charge to appropriations.....	16,401	16,579	

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:
 “Salaries and expenses,” Office of Civil and Defense Mobilization
 “Research and development,” Office of Civil and Defense Mobilization
 “Mutual security,” funds appropriated to the President
 “Translation of publications and scientific cooperation,” funds appropriated to the President
 “Operating expenses,” Atomic Energy Commission
 “Plant acquisition and construction,” Atomic Energy Commission
 “Research and development,” Federal Aviation Agency
 “Research and development,” National Aeronautics and Space Administration
 “Construction and equipment,” National Aeronautics and Space Administration
 “Salaries and expenses,” National Science Foundation
 “International Geophysical Year,” National Science Foundation
 “Acquisition and construction of radio facilities,” United States Information Agency
 “Acquisition, construction, and improvements,” Coast Guard, Treasury Department
 “Refunds, transfers, and expenses of operation, Puerto Rico,” Bureau of Customs, Treasury Department

Proposed for later transmission:

OPERATION AND MAINTENANCE, ARMY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Tactical forces.....		8,679	
2. Training activities.....		80	
3. Central supply activities.....		11,245	
4. Major overhaul and maintenance of materiel.....		364	
5. Medical activities.....		253	
6. Armywide activities.....		79	
Total obligations.....		20,700	
Financing:			
New obligational authority (proposed supplemental appropriation).....		20,700	

Under existing legislation, 1961.—A supplemental appropriation for 1961 is anticipated. Funds are included to provide improved readiness of the Army through an increase of 2,500 man-years in the Active Army strength, increased troop training exercises for the 7th U.S. Army in Europe, and major intertheater troop deployment exercises from the United States to Europe and the Pacific; and to provide for direct and support costs of the new single managers for general supplies, construction supplies, and automotive supplies, which were assigned to the Department of the Army after submission of the 1961 budget.

OPERATION AND MAINTENANCE—Continued

Proposed for later transmission—Continued

OPERATION AND MAINTENANCE, NAVY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General expenses, Navy personnel.....		300	
2. Weapons and facilities.....		20,100	
3. Ships and facilities.....		13,480	
4. Medical care.....		450	
6. Servicewide supply.....		2,320	
7. Servicewide operations.....		250	
Total obligations.....		36,900	
Financing:			
New obligational authority (proposed supplemental appropriation).....		36,900	

Under existing legislation, 1961.—Additional funds are anticipated for (a) an increased readiness position of naval forces, especially the attack capability of the Sixth and Seventh Fleets, and (b) cost of extension of the single manager plan on January 1, 1960, by establishment of the Military Industrial Supply Agency in the Department of the Navy.

OPERATION AND MAINTENANCE, AIR FORCE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operational support (total obligations).....		6,300	
Financing:			
New obligational authority (proposed supplemental appropriation).....		6,300	

Under existing legislation, 1961.—Supplemental funds anticipated for 1961 will provide airlift service for Army troop exercises in the Pacific area. These exercises are a part of the increased readiness program approved by the President.

CLAIMS, DEPARTMENT OF DEFENSE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Personnel claims.....		1,107	
2. Tort claims.....		4,718	

PROCUREMENT AND PRODUCTION

	For service use or inventory			For development, test, and evaluation support			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Aircraft.....	5,079	6,177	5,152	318	478	482	5,397	6,655	5,634
Missiles.....	2,279	2,776	3,075	1,194	1,122	896	3,474	3,898	3,971
Ships.....	1,473	1,866	2,074				1,473	1,866	2,074
Other.....	2,389	2,711	2,961		3		2,389	2,714	2,961
Total.....	11,220	13,530	13,262	1,512	1,603	1,378	12,732	15,133	14,641

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Admiralty claims.....		175	
Total obligations.....		6,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		6,000	

Under existing legislation, 1961.—A supplemental appropriation for 1961 is anticipated to cover the payment of additional noncontractual claims against the Department of Defense as authorized by law.

PROCUREMENT

The procurement appropriations of the Department of Defense finance the acquisition of capital equipment, such as aircraft, missiles, ships, combat vehicles, weapons, and communications; major items for support of the capital equipment when it is in service; the industrial facilities necessary to produce that equipment; and major modification of older equipment where feasible to provide a means of 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 1962 budget reflects no significant revisions in the content of the procurement appropriations. The separate appropriation for Airlift modernization, Air Force, enacted by the Congress last year, is continued in this budget.

The 1962 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. As shown in the table below, direct obligations for missiles, ships, and all other procurement except aircraft increase steadily during the 1960-62 period. However, total direct obligations for the procurement and production category will be about three percent less in 1962 than in 1961. The peaking in aircraft obligations in 1961 is due in part to a higher program level in that year, associated with the last procurement of the B-52 and B-58 strategic bombers and simultaneous acceleration of the B-70 development program. In addition, it is estimated that about \$300 million in obligations initially planned for 1960 will be incurred in 1961. Direct obligations, adjusted for comparability with the new obligational authority and expenditures for procurement and production, are estimated as follows (in millions of dollars):

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 [one] three thousand [two] one hundred and [eighty-seven] fifty-nine passenger motor vehicles for replacement only (including [twenty] thirty 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; [\$1,495,352,000] \$1,803,000,000, to remain available until expended. (5 U.S.C. 78; 10 U.S.C. 2353, 3012, 4386, 4531, 4532, 4683; Department of Defense Appropriation Act, 1961; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Major equipment.....	698,870	865,797	968,100
2. Ammunition and missiles.....	628,634	702,690	801,500
3. Industrial mobilization.....	60,081	69,200	78,400
Total direct obligations.....	1,387,585	1,637,687	1,848,000
Reimbursable obligations:			
1. Major equipment.....	93,996	226,405	123,500
2. Ammunition and missiles.....	280,771	474,928	183,500
Total reimbursable obligations.....	374,767	701,333	307,000
Total obligations.....	1,762,352	2,339,020	2,155,000
Financing:			
Comparative transfers to other accounts.....	28,518		
Comparative transfer from (—) other accounts (goods and services provided by Berlin Magistrat).....		—335	
Unobligated balance brought forward.....	—503,535	—649,229	—287,896
Unobligated balance transferred to "Research, development, test, and evaluation, Army" (73 Stat. 376).....	10,000		
Unobligated military assistance orders transferred from (—) other service accounts.....	—37,457		
Advances and reimbursements from—			
Military assistance orders.....	—93,430	—233,000	
Other accounts.....	—265,914	—140,000	—132,000
Non-Federal sources (5 U.S.C. 172d-1).....	—142,463	—109,000	—134,000
Unobligated balance carried forward.....	649,229	287,896	201,896
New obligational authority (appropriation)	1,407,300	1,495,352	1,803,000

This appropriation provides the major items of combat and support equipment to enable Army forces to meet successfully both atomic and non-atomic requirements of limited and general war. Additionally, this appropriation provides for production engineering, tooling and facilities in support of current procurement programs and for the modernization of arsenals and production facilities.

The total obligations reflected in the Army's program for 1962 are \$2,155 million, which will be increased to the extent that new procurement is required on the basis of 1962 orders for military assistance. The total 1962 obligations will be substantially greater than the \$1,762 million obligated in 1960 and should exceed the \$2,339 million expected to be obligated in 1961.

A large part of the increase in 1961 and 1962 over the 1960 obligation level is to enable the Army to modernize further and to increase its inventories of combat and support equipment, particularly of newly developed items. For this purpose, the Army plans direct obligations of

\$1,848 million in 1962, including \$45 million carried forward from 1961, as compared to \$1,637 million in 1961 and \$1,388 million in 1960. In each of these years additional Army requirements, estimated on the order of \$100 million, are being provided through reimbursable obligations financed from funds received through sale of equipment from stock without direct replacement. Other sales of equipment from stock assist further in modernizing the Army's inventories, as replacement is made by procurement of newer models of the same items.

The reimbursable obligations to be incurred in 1962 will provide standard Army items of ammunition, missiles, and equipment for the Marine Corps and various items of ammunition and equipment for the Air Force. The reimbursements from non-Federal sources are principally derived from the Federal Republic of Germany, which is supplied with certain missiles, tanks, and other items of combat equipment.

Firepower.—The 1962 program reflects a continuation of the emphasis on increasing the combat capability of Army forces, with both atomic and nonatomic weapons and munitions. This program will continue the production of modern combat equipment initiated in prior years, including the M-60 medium tank to provide greater firepower, range and crew protection; the M-14 lightweight rifle, M-60 machinegun, and an acceleration in the production of NATO standard ammunition; the Davy Crockett system to provide close-in atomic support to combat infantry units; the shoulder-fired medium assault weapon to provide increased antitank capability to combat infantry units; and atomic, chemical, and antipersonnel munitions for use by tactical forces. Additionally, provision is made for the introduction of a new air-transportable self-propelled mortar which, together with the 175-mm. self-propelled gun procured in 1961 and the new 105-mm., 155-mm., and 8-inch air-transportable self-propelled howitzers, provides combat forces with increased firepower and mobility; and the new shoulder-fired light assault weapon which provides combat forces with close-in antitank capability. To improve mobile firepower for combat forces, modification of the M-48A1 series tanks will obtain performance capabilities approximating those of the M-60 tank.

The surface-to-air missile program continues to support the air defense mission assigned to the Army. Major emphasis continues on the Nike-Hercules improvement program. Production of the Hawk missile system will continue for defense against low altitude aircraft and air-breathing missiles. The procurement of the Redeye missile system, a shoulder-fired guided missile, designed to arm small combat units against low altitude enemy aircraft, will be continued.

The surface-to-surface missile program provides the initial procurement of tactical missiles and ground sets of equipment for the Pershing, a modern, solid-fueled successor to Redstone, which can be transported by the medium helicopter. Production will continue for the solid-fueled Sergeant missile, and the improved Honest John and Little John rockets to provide tactical units with an effective missile delivery capability. Increased quantities of antitank missiles will be procured to provide an additional means for ground forces to combat enemy armored vehicles.

Mobility.—Effectiveness and survival on the modern battlefield is dependent upon the ability of ground forces to remain mobile. Combat power, a combination of mobility and firepower, will be enhanced by the continued procurement of the modern M-113 aluminum armored personnel carriers. Tactical trucks for use in supply and

PROCUREMENT—Continued

Current authorizations—Continued

PROCUREMENT OF EQUIPMENT AND MISSILES, ARMY—Continued

support functions in combat and other areas will be procured to meet the pentomic field army's need for increased mobility. The new M-88 tank recovery vehicle will continue in production to provide a means to return combat-damaged tanks to rear echelons for repair. A new armored full-track wrecker and a modern heavy equipment transporter will be procured for the first time to repair and recover vehicles in the 15-30 ton-weight class, and to carry combat vehicles in the 50-60 ton-weight class.

Aerial mobility continues to receive emphasis to meet the Army's need for battlefield surveillance, troop movement, and rapid logistical support for combat forces. Aircraft programed for procurement total 261 and include Mohawk, a twin engine observation airplane designed for battlefield surveillance and aerial photography; the Caribou, a twin engined transport aircraft to be used in combat zone resupply, transportation of troops, and emergency aero-medical evacuation; Iroquois, a utility helicopter, for the transportation of personnel, special teams, equipment, supplies and medical evacuation; and the medium transport helicopter, Chinook, designed to carry 26 fully armed combat troops or 3 tons of normal cargo.

Communications-electronics.—In the area of communications and electronics, the major effort is directed toward providing the Army with swift, accurate target surveillance equipment and light, rugged, mobile communications equipment which will support the high degree of mobility and dispersion dictated by modern weapons. For these purposes, the 1962 program provides for the procurement of surveillance and navigational equipment for Army aircraft, additional short endurance combat surveillance drone systems, the first procurement for test of the USD-5 long endurance combat surveillance drone systems, and the modernization and replacement of combat radio, telephone, and teletype communications and control equipment. Provision is also made for the continuing program for the improvement of the missile-master system to ensure compatibility with the semi-automatic ground environment (SAGE) system of the North American Air Defense Command.

Logistics support.—Included in this category are items designed to improve the Army's capability to move over streams and other obstacles; and equipment to build and maintain the support roads and airfields which are directly related to the mobility of combat forces. The 1962 program provides for continued procurement of materials handling and construction equipment, Conex containers, rolling fluid transporters, and other items essential to the balanced support of combat forces.

The Army's logistical capability will be improved through the continued procurement of additional amphibious lighters and rough-terrain forklift trucks to assist in over-the-beach operations. The 1962 program provides for the initial procurement of the new mobile nuclear powerplant to provide electrical power in remote combat areas. A variety of generators is planned for continued procurement to provide combat forces with electrical power to operate missile sites and radar stations, as well as for lighting and other uses where local power will not be available.

Facilities necessary to support production programs will continue to be modernized to meet program requirements.

The projects supported will lead to conservation of critical materials, improvements in production techniques, and the development of mass production methods for new items planned for production.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ARMY			
11 Personnel compensation:			
Permanent positions.....	15,815	11,314	11,223
Other personnel compensation.....	536	338	370
Total personnel compensation.....	16,351	11,652	11,593
12 Personnel benefits.....	572	590	590
21 Travel and transportation of persons.....	570	667	689
22 Transportation of things.....	15,257	18,500	19,500
23 Rent, communications, and utilities.....	196	200	200
24 Printing and reproduction.....	15	15	15
25 Other services.....	297,615	363,393	398,962
26 Supplies and materials.....	354,660	413,770	478,536
31 Equipment.....	694,817	823,400	932,415
32 Lands and structures.....	5,289	5,500	5,500
Total direct obligations.....	1,385,342	1,637,687	1,848,000
Reimbursable obligations:			
22 Transportation of things.....	5,247	9,818	4,300
26 Supplies and materials.....	203,851	356,396	135,870
31 Equipment.....	165,669	335,119	166,830
Total reimbursable obligations.....	374,767	701,333	307,000
Total, Army.....	1,760,109	2,339,020	2,155,000
ALLOCATION ACCOUNTS			
25 Other services.....	2,243		
Total obligations.....	1,762,352	2,339,020	2,155,000
Obligations are distributed as follows:			
Army.....	1,760,109	2,339,020	2,155,000
Atomic Energy Commission.....	2,241		
Bureau of Mines.....	2		

Personnel Summary

Total number of permanent positions.....	2,731	2,085	2,085
Average number of all employees.....	2,522	1,966	1,956
Number of employees at end of year.....	2,241	1,993	1,993
Average GS grade.....	8.5	8.6	8.6
Average GS salary.....	\$7,123	\$7,530	\$7,536
Average salary of ungraded positions.....	\$5,350	\$5,450	\$5,450

PROCUREMENT OF AIRCRAFT AND MISSILES, NAVY

For construction, procurement, production, modification, and modernization of aircraft, missiles, 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; and procurement and installation of equipment, appliances, and machine tools in public or private plants; [\$2,141,760,000] \$2,000,000,000, 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 and related procurement" and "Procurement of ordnance and ammunition", 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. 5012, 5031, 7201, 7341; 31 U.S.C. 718; Department of Defense Appropriation Act, 1961; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment.....		1,090,000	1,508,000
2. Missiles, drones, and related equipment.....		455,000	523,000
3. Development, test, and evaluation support.....		150,000	30,000
Total direct obligations.....		1,695,000	2,061,000
Reimbursable obligations:			
1. Aircraft and related equipment.....		8,300	16,000
2. Missiles, drones, and related equipment.....		39,700	18,000
Total reimbursable obligations.....		48,000	34,000
Total obligations.....		1,743,000	2,095,000
Financing:			
Unobligated balance brought forward.....			-694,715
Unobligated balance transferred from "Aircraft and related procurement, Navy" (74 Stat. 345).....		-242,955	
Advances and reimbursements from—			
Military assistance orders.....		-33,000	
Other accounts.....		-20,000	-31,000
Unobligated balance carried forward.....		694,715	630,715
New obligational authority (appropriation).....	2,141,760	2,000,000	

This appropriation finances the procurement of new 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 of drones and major flight and maintenance training simulators. The funds requested permit carrying out a program costing \$2,198.7 million during 1962 compared to \$2,270.0 million in 1961.

1. *Aircraft and related equipment.*—This activity finances procurement of 644 new aircraft together with their supporting components and spare parts; the cost of modifying and modernizing in-service aircraft including mandatory operational and safety-of-flight improvements; and related items such as aircraft production tools and training equipment. Procurement requirements for new aircraft are based on projected aircraft operating programs and replacement of losses caused by attrition and obsolescence. The 1962 procurement program consists, with one exception, of additional quantities of aircraft currently in production. The Navy's attack mission is supported by follow-on procurements of light and close-support jet attack models as well as two Marine assault helicopters, one of which is new to the program in 1962. Antiair warfare requirements are being met, insofar as aircraft are concerned, through follow-on procurements of two fighters, one of which has limited and the other full all-weather capability. Provisions are also made in this category for a buildup in the production of a newly developed carrier-based early warning and control aircraft. In the antisubmarine warfare field, naval aviation's contribution includes procurement of an advanced helicopter, a carrier-based fixed wing and a land-based 4-engine turbo-prop model. A utility helicopter and a navigational trainer complete the program for 1962.

2. *Missiles, drones, and related equipment.*—The procurement of all missiles for fleet outfitting, training, and operational evaluation is financed under this activity.

The 1962 program provides for continued delivery of air-to-air Sidewinder and Sparrow missiles and air-to-surface Bullpup missiles to fleet squadrons and training commands. It continues the integration of ship-launched Tartar, Talos, and Terrier missiles into the active fleet in consonance with the construction and conversion of vessels with guided missile capability and provides for the procurement for operational evaluation of the Subroc antisubmarine weapon. Polaris missiles for the fleet ballistic missile submarines are also funded from this activity. Related projects such as powered and unpowered target procurement, antisubmarine drone procurement, and missile industrial facilities also financed under this activity are programed at minimum levels. In addition, provision is made for the procurement of hardware items associated with the Transit navigation system.

3. *Development, test, and evaluation support.*—This activity provides for development, test, and evaluation of new aircraft and missiles not yet ready for production.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....		1,881	1,910
Other personnel compensation.....		50	44
Total personnel compensation.....		1,931	1,954
12 Personnel benefits.....		144	178
22 Transportation of things.....		4,460	4,500
25 Other services.....		232,991	233,905
26 Supplies and materials.....		402,700	569,800
31 Equipment.....	1,051,774		1,249,663
32 Lands and structures.....	1,000		1,000
Total direct obligations.....	1,695,000	2,061,000	
Reimbursable obligations:			
26 Supplies and materials.....		14,200	15,000
31 Equipment.....		33,800	19,000
Total reimbursable obligations.....		48,000	34,000
Total obligations.....	1,743,000	2,095,000	

Personnel Summary

Total number of permanent positions.....	302	302
Average number of all employees.....	297	297
Number of employees at end of year.....	297	297
Average GS grade.....	6.8	6.8
Average GS salary.....	\$6,212	\$6,212
Average salary of ungraded positions.....	\$5,492	\$5,492

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 of critical long leadtime components and designs for vessels to be constructed or converted in the future; and 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; [§2,316,360, -000] \$1,825,000,000, to remain available until expended. (5 U.S.C. 46; 10 U.S.C. 5012, 5031, 7296, 7298; 31 U.S.C. 718; Department of Defense Appropriation Act, 1961; authorizing legislation to be proposed.)

PROCUREMENT—Continued**Current authorizations—Continued**

SHIPBUILDING AND CONVERSION, NAVY—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Fiscal year 1957 and prior programs.....	240,014	182,336	126,669
2. Fiscal year 1958 program.....	211,713	107,696	65,794
3. Fiscal year 1959 program.....	480,385	180,160	98,514
4. Fiscal year 1960 program.....	418,366	84,215	66,314
5. Fiscal year 1961 program.....	115,479	1,167,196	242,525
6. Fiscal year 1962 program.....		139,600	1,315,284
7. Fiscal year 1963 program.....			158,900
8. Reserve tools and facilities, and production materials.....	5,997	3,508	
9. Shipbuilding administrative expenses.....	35,597	1,147	
10. Electronics major procurement.....	122,549	25,142	
Total direct obligations.....	1,630,100	1,891,000	2,074,000
Reimbursable obligations:			
3. Fiscal year 1959 program.....	14,434	10,000	6,000
4. Fiscal year 1960 program.....	20,969	18,000	4,000
5. Fiscal year 1961 program.....		39,000	10,000
6. Fiscal year 1962 program.....			4,000
10. Electronics major procurement.....	9,206		
Total reimbursable obligations.....	44,609	67,000	24,000
Total obligations.....	1,674,709	1,958,000	2,098,000
Financing:			
Unobligated balance brought forward.....	-1,100,634	-805,815	-1,138,322
Unobligated military assistance orders transferred to other service accounts.....		13,095	
Advance and reimbursements from—			
Military assistance orders.....	-38,728	-54,012	
Other accounts.....	-10,237	-4,000	-4,000
Non-Federal sources (10 U.S.C. 2481; 31 U.S.C. 489a).....	-226		
Unobligated balance carried forward.....	805,815	1,138,322	869,322
New obligational authority.....	1,330,700	2,245,590	1,825,000
New obligational authority:			
Appropriation.....	1,330,700	2,316,360	1,825,000
Transferred to "Emergency fund, Department of Defense" (74 Stat. 355).....		-70,770	
Appropriation (adjusted).....	1,330,700	2,245,590	1,825,000

This appropriation provides for ship construction and conversion programs as authorized by law, including machinery, conventional and nuclear propulsion systems, electrical systems, gun, torpedo, and missile armament, communications equipment, and electronic detection, countermeasures, and tactical data systems.

The 1962 shipbuilding program includes 30 new ships and 22 conversions, at a total estimated cost of \$1,933.8 million, as compared to the 1961 program of \$1,616.5 million which provides for 20 new ships and 15 conversions. This budget continues a long-term modernization and replacement program to maintain a balanced fleet which can respond effectively to a wide variety of challenges—in cold war, limited war, or all-out nuclear war. To this end, major emphasis is placed on the exploitation of proven technological advances in hull design, propulsion, armament, and electronics.

The program includes 5 fleet ballistic missile submarines, which will bring to a total of 19 the number of

submarines armed with the Polaris missile, a vital element of the Nation's deterrent force. In addition, long lead-time components are provided for 5 Polaris submarines. The primary mission of 16 of the new ships is antisubmarine warfare. These include 3 nuclear-powered submarines, 7 guided missile frigates, and 6 escort ships. Further improvement in antisubmarine readiness is provided by the conversion of 20 World War II ships—14 destroyers and 6 submarines—which will prolong their service life and equip them with modern ordnance and electronics. Two amphibious transports, dock, and 1 amphibious assault ship will increase the capability of the Marine Corps for limited war. Two fast underway replenishment ships will provide improved fleet logistic support. Research and experimental ships include 1 hydrofoil research ship, 2 oceanographic research ships, 1 surveying ship, and 1 missile range instrumentation ship, a conversion. The remaining conversion in the program is a major communications relay ship.

In this budget, as in the 1961 budget, construction and conversion costs represent the full amount required to complete all ships in the program, allowing for growth factors—such as changes in ship characteristics and design—which can reasonably be expected to affect costs during long building periods.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NAVY			
Personnel compensation:			
Permanent positions.....	21,826	5,386	5,387
Other personnel compensation.....	1,161	322	307
Total personnel compensation.....	22,987	5,708	5,694
Direct obligations:			
11 Personnel compensation.....	22,308	5,104	5,091
12 Personnel benefits.....	1,436	351	351
21 Travel and transportation of persons.....	711		
22 Transportation of things.....	1,740	1,000	1,000
23 Rent, communications, and utilities.....	131		
24 Printing and reproduction.....	1,412		
25 Other services.....	432,499	511,048	566,989
26 Supplies and materials.....	31,070	37,639	39,906
31 Equipment.....	1,123,658	1,329,858	1,457,663
Total direct obligations.....	1,614,965	1,885,000	2,071,000
Reimbursable obligations:			
11 Personnel compensation.....	679	604	603
21 Travel and transportation of persons.....	99		
25 Other services.....	31,963	34,638	11,087
26 Supplies and materials.....	2,295	3,417	1,224
31 Equipment.....	9,573	28,341	11,086
Total reimbursable obligations.....	44,609	67,000	24,000
Total, Navy.....	1,659,574	1,952,000	2,095,000
ALLOCATION TO ATOMIC ENERGY COMMISSION			
31 Equipment.....	15,135	6,000	3,000
Total obligations.....	1,674,709	1,958,000	2,098,000

Personnel Summary

Total number of permanent positions.....	3,709	946	946
Average number of all employees.....	3,453	934	934
Number of employees at end of year.....	3,134	934	934
Average GS grade.....	6.8	6.8	6.8
Average GS salary.....	\$5,804	\$6,301	\$6,315
Average salary of ungraded positions.....	\$5,703	\$5,804	\$5,805

OTHER PROCUREMENT, NAVY

For procurement, production, and modernization of support equipment, and materials not otherwise provided for; Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and ships authorized for conversion); purchase of not to exceed one thousand [and forty-five] *three hundred and sixty-eight* passenger motor vehicles (including [ten] *seven* at not to exceed \$2,900 each) for replacement only; 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; and procurement and installation of equipment, appliances, and machine tools in public or private plants; [\$420,980,000] *\$325,000,000*, 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 and related procurement", "Procurement of ordnance and ammunition", and "Shipbuilding and conversion", 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. 78; 10 U.S.C. 5012, 5031; 31 U.S.C. 718; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Ships support equipment.....		160,065	260,100
2. Weapons and support equipment.....		224,802	292,200
3. Command support equipment.....		30,284	38,100
4. Civil engineering support equipment.....		13,537	22,600
5. Supply support equipment.....		2,685	6,000
6. Personnel support equipment.....		627	6,000
Total direct obligations.....		432,000	625,000
Reimbursable obligations:			
1. Ships support equipment.....		27,200	21,400
2. Weapons and support equipment.....		53,077	9,230
4. Civil engineering support equipment.....		13,855	4,000
5. Supply support equipment.....		368	257
6. Personnel support equipment.....		1,500	2,113
Total reimbursable obligations.....		96,000	37,000
Total obligations.....		528,000	662,000
Financing:			
Unobligated balance brought forward (69 Stat. 438).....			-39,199
Unobligated balance transferred from "Aircraft and related procurement, Navy" (74 Stat. 346).....		-19,400	
Unobligated military assistance orders transferred from (-) other service accounts.....		-29,199	
Advances and reimbursements from—			
Military assistance orders.....		-64,720	
Other accounts.....		-27,200	-19,200
Non-Federal sources (10 U.S.C. 2481, 2665, 2667; 31 U.S.C. 489a).....		-2,200	-4,200
Unobligated balance carried forward.....		39,199	25,599
New obligational authority.....		424,480	625,000
New obligational authority:			
Appropriation.....		420,980	625,000
Transferred from "Plant acquisition and construction," Atomic Energy Commission (74 Stat. 752).....		3,500	
Appropriation (adjusted).....		424,480	625,000

This appropriation represents a consolidation of all major procurement other than ships, aircraft, and missiles.

1. *Ships support equipment.*—This activity provides for the procurement of ship support equipment for the active

fleet, fleet support activities, continental and harbor defense activities. Polaris equipment to support maintenance and training for the fleet ballistic missile submarines accounts for virtually all of the increase in this activity. The procurement of electronics equipment for the modernization of the active fleet continues at levels which increase slightly over 1961. In the electronics program, greater emphasis is given to equipment for command combat direction systems and to anti-air warfare. Other items included in this activity are the procurement of ship components, machine tools, special shipboard mobile equipment, and first destination transportation costs of items procured by this program.

2. *Weapons and support equipment.*—This activity provides for ammunition, weapons, and technical support equipment for ordnance, aircraft, and the Shore Establishment. Major emphasis in the ammunition program is on the air-launched Zuni rocket, the new high speed and antisubmarine torpedoes, and on the Asroc antisubmarine weapon. Antisubmarine capability is further improved by the inclusion of more reliable air-dropped submarine detection buoys. Shore station support equipment comprises the ground communication and terminal navigation aids required for Navy and Marine Corps stations. Polaris equipment comprises one of the larger programs in this activity and accounts for over half of the increased funding.

3. *Command support equipment.*—This activity provides principally for the procurement of electronics and communications equipments for the shore based elements of the naval communications system. The primary objective is to modernize the system by improving the speed, reliability and security of communications for command-control of operating forces and modern weapons systems. Provision is also made for the improvement and modernization of facilities employed in electronics intelligence functions.

4. *Civil engineering support equipment.*—This activity provides for procurement of passenger-carrying vehicles and both general and special-purpose automotive equipment. The increased 1962 program provides for a phased replacement of overage equipment on an economic basis. Also provided are construction and weight-handling equipments, amphibious vehicles, and materials for fleet moorings.

5. *Supply support equipment.*—Provides for the centralized procurement of material-handling equipment (such as warehouse tractors, cranes and fork trucks) common to supply operations.

6. *Personnel support equipment.*—This activity provides for procurement of training equipments, devices and training aids. The principal program in this activity, accounting for most of the increase since 1961, is for specialized training equipment to support the growing number of Polaris submarines in the active fleet.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....		4,330	4,478
Other personnel compensation.....		46	17
Total personnel compensation.....		4,376	4,495
12 Personnel benefits.....		337	347
22 Transportation of things.....		3,177	3,356
25 Other services.....		15,316	1,296

PROCUREMENT—Continued

Current authorizations—Continued

OTHER PROCUREMENT, NAVY—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations—Continued			
26 Supplies and materials.....		119,502	142,050
31 Equipment.....		289,292	473,456
Total direct obligations.....		432,000	625,000
Reimbursable obligations:			
25 Other services.....		300	300
26 Supplies and materials.....		16,550	6,368
31 Equipment.....		79,150	30,332
Total reimbursable obligations.....		96,000	37,000
Total obligations.....		528,000	662,000

Personnel Summary

Total number of permanent positions.....		997	887
Average number of all employees.....		828	871
Number of employees at end of year.....		983	871
Average GS grade.....		6.8	6.8
Average GS salary.....		\$6,161	\$6,161
Average salary of ungraded positions.....		\$5,504	\$5,515

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 [eighteen] three hundred and seventeen passenger motor vehicles which shall be for replacement only, [\$91,180,000] \$140,000,000, to remain available until expended. (5 U.S.C. 78; 10 U.S.C. 5031, 7201; 31 U.S.C. 718; Department of Defense Appropriation Act, 1961; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Ammunition and ordnance equipment.....	57,273	42,000	70,000
2. Guided missiles and equipment.....	49,359	38,000	25,000
3. Communications and electronics equipment.....	33,186	35,000	46,000
4. Support vehicles.....	4,103	11,000	12,000
5. Railroad, engineer, and materials handling equipment.....	9,836	5,000	6,000
6. Development, test, and evaluation support.....	3,032	6,000	-----
Total direct obligations.....	156,789	137,000	159,000
Reimbursable obligations:			
1. Ammunition and ordnance equipment.....	2,049	787	-----
3. Communications and electronics equipment.....	602	909	-----
4. Support vehicles.....	2,630	77	-----
5. Railroad, engineer, and materials handling equipment.....	1,346	597	-----
Total reimbursable obligations.....	6,627	2,370	-----
Total obligations.....	163,416	139,370	159,000
Financing:			
Comparative transfers to other accounts.....	10,282	-----	-----
Unobligated balance brought forward.....	-157,220	-116,924	-65,339

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated military assistance orders transferred to other service accounts.....	472	3,596	-----
Advances and reimbursements from—			
Military assistance orders.....		-201	-----
Other accounts.....	-23	-----	-----
Unobligated balance carried forward.....	116,924	65,339	46,339
New obligational authority (appropriation)	133,850	91,180	140,000

This appropriation provides the major items of equipment needed to support approved Marine Corps forces in achieving their assigned mission. The 1962 program will enable the Marine Corps to procure the third increment of new lightweight 7.62-mm. weapons and related ammunition; initial increments of new type ammunition; a variety of ammunition items to augment reserve stocks; the replacement of ammunition consumed during training programs; modifications and modernization of landing vehicles to improve over-the-beach capabilities; Hawk missiles to provide an effective defense against low altitude aircraft and air-breathing missiles; Redeye missiles to provide combat troops with a means to destroy low altitude aircraft; radar and radio improvements to provide forces with an increased capability for the detection, direction, and control of aircraft and control of ground forces; and the replacement and modernization of a variety of equipment items.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
22 Transportation of things.....	2,007	2,500	2,500
26 Supplies and materials.....	37,092	30,000	42,000
31 Equipment.....	117,690	104,500	114,500
Total direct obligations.....	156,789	137,000	159,000
Reimbursable obligations:			
26 Supplies and materials.....	2,049	500	-----
31 Equipment.....	4,578	1,870	-----
Total reimbursable obligations.....	6,627	2,370	-----
Total obligations.....	163,416	139,370	159,000

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; [\$3,251,449,000] \$3,040,000,000, 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, 9441-42; 31 U.S.C. 649(c), 718; 40 U.S.C. 523; 50 U.S.C. 451-62; Department of Defense Appropriation Act, 1961; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Aircraft procurement and production.....	2,773,470	3,935,400	3,046,000
2. Development, test, and evaluation.....	154,016	295,600	354,000
Total direct obligations.....	2,927,486	4,231,000	3,400,000
Reimbursable obligations:			
1. Aircraft procurement and production.....	167,945	127,500	90,000
Total obligations.....	3,095,431	4,358,500	3,490,000
Financing:			
Unobligated balance brought forward.....		-1,558,441	-1,117,563
Unobligated balance transferred from "Aircraft, missiles, and related procurement, (Air Force)" (74 Stat. 347).....		-484,200	
Unobligated military assistance orders transferred from (-) other service accounts.....	-9,932		
Advances and reimbursements from—			
Military assistance orders.....	-235,568	-117,500	
Other accounts.....	-123,772	-64,473	-90,000
Unobligated balance carried forward.....	1,558,441	1,117,563	757,563
New obligational authority (appropriation).....	4,284,600	3,251,449	3,040,000

This appropriation provides for the development and procurement of aircraft other than the transport aircraft included under Airlift modernization, Air Force; components, spares, industrial production facilities, and modification of inservice aircraft of all types; and direct ground support equipment. The funds requested provide a procurement and development program for other than transport aircraft for 1962 of \$3,256.3 million compared to a revised program of \$4,296.6 million for 1961.

1. *Aircraft procurement and production.*—This activity provides for the procurement of 473 new aircraft and in addition associated guided air-to-air rockets, to continue modernization and support of the forces comprising 79 aircraft wings by end 1962. In the strategic forces, procurement of jet tankers is continued for the support of the heavy and supersonic bombers and modernization of the tanker support for the tactical forces to improve their mobility and radius of action. The procurement of increased quantities of supersonic tactical-fighter aircraft with all-weather capability is planned in 1962. These improved tactical mission aircraft will be capable of being rapidly deployed to deliver conventional as well as nuclear munitions and will strengthen capabilities for close support of ground forces. Provision is made for additional quantities of jet training aircraft to meet current training requirements for high performance combat aircraft. In addition, provision is made for modernization of inservice aircraft and their components and for production facilities which cannot be provided by private capital.

2. *Development, test and evaluation.*—This activity provides, in 1962, for the continued development of the B-70 intercontinental strategic bomber weapon system.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
22 Transportation of things.....	1,116	9,000	12,000
26 Supplies and materials.....	102,317	150,000	118,000
31 Equipment.....	2,824,053	4,072,000	3,270,000
Total direct obligations.....	2,927,486	4,231,000	3,400,000
Reimbursable obligations:			
31 Equipment.....	167,945	127,500	90,000
Total obligations.....	3,095,431	4,358,500	3,490,000

AIRLIFT MODERNIZATION, AIR FORCE

For development, construction, procurement, production, and modification of transport aircraft, including spare parts and accessories therefor; and procurement and installation of equipment, appliances, and machine tools in public or private plants; [\$310,788,000] \$157,000,000, to remain available until expended: *Provided*, That no part of the funds provided in this paragraph shall be available for the procurement of aircraft for assignment to scheduled passenger service. (5 U.S.C. 55a; 10 U.S.C. 174, 1584, 2271-79, 2352-54, 2386, 2663, 2672, 8012, 8062, 9501-05, 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, 1961; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Aircraft procurement and production.....		135,000	162,000
2. Development, test, and evaluation.....		30,000	98,000
Total direct obligations.....		165,000	260,000
Reimbursable obligations:			
1. Aircraft procurement and production.....		4,200	
Total obligations.....		169,200	260,000
Financing:			
Unobligated balance brought forward.....			-145,788
Advances and reimbursements from military assistance orders.....		-4,200	
Unobligated balance carried forward.....		145,788	42,788
New obligational authority (appropriation).....		310,788	157,000

This appropriation provides for the development and procurement of transport aircraft including peculiar direct ground support equipment. The funds requested provide for a procurement and development program for 42 transport aircraft in 1962 of \$193.7 million compared to \$278.3 million for 1961.

1. *Aircraft procurement and production.*—Additional tactical transport aircraft are provided to improve the mobility of the modernized operational forces needed in the event of localized threats or conflicts.

2. *Development, test, and evaluation.*—This activity provides for the development, test, and evaluation of a long-range heavy cargo transport, specifically designed for the Military Air Transport Service mission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
22 Transportation of things.....		90	400
31 Equipment.....		164,910	259,600
Total direct obligations.....		165,000	260,000

PROCUREMENT—Continued

Current authorizations—Continued

AIRLIFT MODERNIZATION, AIR FORCE—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Reimbursable obligations:			
31 Equipment.....		4,200	
Total obligations.....		169,200	260,000

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; [\$2,615,120,000] \$2,811,000,000, 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, 1961; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Missile procurement and production.....	625,795	767,300	1,025,700
2. Ground support equipment.....	648,180	957,000	960,100
3. Development, test, and evaluation support.....	1,158,177	1,095,700	896,200
Total direct obligations.....	2,432,152	2,820,000	2,882,000
Reimbursable obligations:			
1. Missile procurement and production.....		84,500	12,700
2. Ground support equipment.....		69,600	8,700
Total reimbursable obligations.....		154,100	21,400
Total obligations.....	2,432,152	2,974,100	2,903,400
Financing:			
Unobligated balance brought forward.....		-378,302	-683,039
Unobligated balance transferred from—			
“Aircraft, missiles, and related procurement (Air Force)” (74 Stat. 347).....	-127,450	-535,400	
“Procurement other than aircraft and missiles (Air Force)” (74 Stat. 347).....		-13,300	
Advances and reimbursements from—			
Military assistance orders.....	-94,200	-115,017	
Non-Federal sources (5 U.S.C. 172d-1).....	-123,255		
Unobligated balance carried forward.....	378,302	683,039	590,639
New obligational authority.....	2,465,550	2,615,120	2,811,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	2,540,550	2,615,120	2,811,000
Transferred to “Salaries and expenses, Advanced Research Projects Agency, Department of Defense” (73 Stat. 377).....	-75,000		
Appropriation (adjusted).....	2,465,550	2,615,120	2,811,000

This appropriation provides for development and procurement of missiles and drones, launching and ground support equipment, installation and checkout of equipment preliminary to activation of operational squadrons, and expansion of industrial facilities.

1. *Missile procurement and production.*—This activity provides funds for missiles required for operational squadrons and related training. The 1962 estimates substantially complete the procurement of the 13 squadron Atlas intercontinental ballistic missile program; continue procurement of Titan intercontinental ballistic missiles toward the 14 squadron objective; and initiate the first major procurement of operational Minuteman intercontinental ballistic missiles. Procurement of the Hound Dog air-to-surface missiles continues, greatly increasing the effectiveness of the B-52 heavy bombers. In addition, a major buy of Hound Dog spares is included to effect the standby airborne alert program. Procurement of Bullpup air-to-surface missiles increases above the 1961 level. Provision is also made for procurement of target drone missiles used in testing and training of weapon systems.

2. *Ground support equipment.*—The principal amounts required in 1962 are for installation and checkout and for launching and related ground equipment for the Atlas, Titan, and Minuteman ballistic missiles; for Hound Dog air-to-surface missiles; and for spare parts support of other operational Air Force missile weapon systems, such as the Snark intercontinental missile, Quail decoy missile, and Bomarc air defense system. Lesser amounts are also included for training equipment.

3. *Development, test, and evaluation support.*—The amounts contained in 1962 provide for continuing improvement to the Atlas weapon system, and for continuing development of Titan and of the Minuteman fixed and mobile weapon systems.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AIR FORCE			
Direct obligations:			
22 Transportation of things.....	689	13,400	12,000
31 Equipment.....	2,423,763	2,774,310	2,863,030
32 Lands and structures.....	7,700	30,440	6,970
Total direct obligations.....	2,432,152	2,818,150	2,882,000
Reimbursable obligations:			
31 Equipment.....		154,100	21,400
Total, Air Force.....	2,432,152	2,972,250	2,903,400
ALLOCATION TO BUREAU OF PUBLIC ROADS			
32 Lands and structures.....		1,850	
Total obligations.....	2,432,152	2,974,100	2,903,400

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 [three thousand three hundred and five passenger motor vehicles, for replacement only, including ten at not to exceed \$2,900 each;] *three thousand four hundred and sixty-nine passenger motor vehicles, 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; [\$877,171,000] \$977,000,000, 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]. (5 U.S.C. 55a, 73, 78a-1; 10 U.S.C. 2353, 2386, 8012, 9505, 9531-32; 31 U.S.C. 649(c), 718; 50 U.S.C. 491; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Weapons, ammunition, and propellants.....	53,918	61,600	74,400
2. Vehicular equipment.....	80,364	78,800	95,300
3. Ground communication—electronic equipment.....	509,286	756,600	727,500
4. Other base maintenance and support equipment.....	86,983	126,000	129,800
Total direct obligations.....	730,551	1,023,000	1,027,000
Reimbursable obligations:			
3. Ground communication—electronic equipment.....	66,685	78,000	20,000
Total obligations.....	797,236	1,101,000	1,047,000
Financing:			
Unobligated balance brought forward.....		-399,938	-326,864
Unobligated balance transferred from "Pro- curement other than aircraft and missiles (Air Force)" (74 Stat. 347).....		-62,755	
Advances and reimbursements from—			
Military assistance orders.....	-30,160	-53,000	
Other accounts.....	-57,364	-35,000	-20,000
Unobligated balance carried forward.....	399,938	326,864	276,864
New obligational authority (appropriation)	1,109,650	877,171	977,000

This appropriation provides for ground equipment integral to command, control and warning systems, support equipment for aircraft and missile systems and for other centrally procured equipment for the Air Force, the Air Force Reserve, the Air National Guard, and the Air Reserve Officers Training Corps. The funds requested will provide for a procurement program of \$1,007 million for 1962 and a revised program of \$1,106 million in 1961.

1. *Weapons, ammunition, and propellants.*—The 1962 program provides for increasing the capability of the Air Force to meet air defense and tactical ground forces requirements for both limited and general war and to support training programs. Procurement of a variety of munitions will continue, including: Air-to-air rockets; 20-mm. am-

munition; new antipersonnel/materiel bombs; atomic ordnance components except for fissionable materiel; and conventional ammunition and mines.

2. *Vehicular equipment.*—The 1962 program provides for the completion of the 4-year modernization program for the general purpose fleet and for continuation of an orderly replacement program; for procurement of new fire trucks; for continued procurement of commercial model trucks to replace inventories of military design; and for supplies and materials for the operation of the vehicular fleet.

3. *Ground communication—Electronic equipment.*—The 1962 program provides for (1) completion of the major procurement for the ballistic missile early warning system (BMEWS), the semiautomatic ground environment system (SAGE), and the surveillance and gap-filler radar improvement programs for the continental United States and oversea air defense systems; (2) procurement of equipment, including central data processing and display components, for the command and control systems of the Strategic Air Command and North America Air Defense Command; (3) procurement of communications cable and launch control equipment for operational ballistic missile sites; (4) augmentation of other weapon supporting systems including electromagnetic intelligence gathering, weather observation and forecast, ground navigational aids, worldwide high frequency and tropospheric scatter communication systems; (5) cryptologic equipment including teletype and data encryption devices and voice security; and (6) supplies and materials and modifications required to sustain operational programs.

4. *Other base maintenance and support equipment.*—The 1962 program provides for annual procurement levels of common support equipment; special test and calibration equipment; personal, safety and rescue equipment; photographic and shop equipment, continuation of programs for airfield lighting, aircraft arresting barriers, auxiliary power units, and related airfield support equipment; and supplies and materials required for overall program support.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
22 Transportation of things.....	1,673	7,000	10,000
26 Supplies and materials.....	155,313	218,000	210,000
31 Equipment.....	572,477	796,300	803,800
32 Lands and structures.....	1,088	1,700	3,200
Total direct obligations.....	730,551	1,023,000	1,027,000
Reimbursable obligations:			
26 Supplies and materials.....	8,030	9,000	2,500
31 Equipment.....	58,655	69,000	17,500
Total reimbursable obligations.....	66,685	78,000	20,000
Total obligations.....	797,236	1,101,000	1,047,000

MISCELLANEOUS PROCUREMENT ACCOUNTS

Appropriations available to the Department of Defense for "Procurement of ordnance and ammunition, Navy", "Aircraft, missiles, and related procurement", and "Procurement other than aircraft and missiles", shall not be available for obligation after June 30, 1962.

PROCUREMENT—Continued

Current authorizations—Continued

AIRCRAFT AND RELATED PROCUREMENT, NAVY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Aircraft and related equipment.....	1,585,482	531,705	232,416
2. Missiles, drones, and related equip- ment.....	33,195	75,000	17,584
3. Training equipment.....	20,201	23,850	
4. Aircraft modernization.....	119,179	78,814	
5. Ground electronics and detection equipment.....	40,158	18,980	
6. Development, test, and evaluation support.....	167,098	21,651	
Total direct obligations.....	1,965,313	750,000	250,000
Reimbursable obligations:			
1. Aircraft and related equipment.....	26,073	25,862	
2. Missiles, drones, and related equip- ment.....	94	184	
3. Training equipment.....	507	354	
5. Ground electronics and detection equipment.....	665	100	
6. Development, test, and evaluation support.....	1,058		
Total reimbursable obligations.....	28,397	26,500	
Total obligations.....	1,993,710	776,500	250,000
Financing:			
Comparative transfers to other accounts.....	90,632		
Unobligated balance brought forward.....	-1,444,259	-1,426,767	-387,912
Unobligated balance transferred to— "Procurement of aircraft and mis- siles, Navy" (74 Stat. 345).....		242,955	
"Other procurement, Navy" (74 Stat. 346).....		19,400	
Unobligated military assistance orders transferred to other service ac- counts.....	10,862		
Advances and reimbursements from— Other accounts.....	-10,872		
Non-Federal sources.....	131		
Recovery of prior year obligations.....	-105,326		
Unobligated balance carried forward.....	1,426,767	387,912	137,912
New obligational authority (appro- priation).....	1,961,644		

This appropriation provided funds in 1960 and prior years for the procurement of aircraft, guided missiles, and supporting equipment for the Navy and Marine Corps. It also financed 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.

In 1961 and subsequent years this procurement will be in the two new appropriations, "Procurement of aircraft and missiles, Navy" and "Other procurement, Navy". The amounts shown in 1961 and 1962 represent obligations necessary to complete previously initiated programs and cover, in general, costs of short leadtime components, engineering changes, pricing adjustments, and spare parts. The 1960 and prior year funded programs in this account are fully financed and new appropriations are not required for this purpose.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	24,561	1,318	
Other personnel compensation.....	692	9	
Total personnel compensation.....	25,253	1,327	
12 Personnel benefits.....	1,691	101	
21 Travel and transportation of persons.....	1,453		
22 Transportation of things.....	3,545		
23 Rent, communications, and utilities.....	35		
25 Other services.....	60,962		
Services of other agencies.....	14,085		
26 Supplies and materials.....	130,343	93,100	17,584
31 Equipment.....	1,726,791	655,472	232,416
32 Lands and structures.....	1,155		
Total direct obligations.....	1,965,313	750,000	250,000
Reimbursable obligations:			
31 Equipment.....	28,397	26,500	
Total obligations.....	1,993,710	776,500	250,000

Personnel Summary

Total number of permanent positions.....	3,968	824	
Average number of all employees.....	3,758	200	
Number of employees at end of year.....	3,939	0	
Average GS grade.....	6.7	6.8	
Average GS salary.....	\$5,733	\$6,212	
Average salary of ungraded positions.....	\$5,209	\$5,492	

PROCUREMENT OF ORDNANCE AND AMMUNITION, NAVY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Ammunition.....	76,867	7,840	
2. Ordnance equipment.....	6,703	2,283	
3. Ordnance guided missiles.....	316,608	25,080	
4. Development, test, and evaluation sup- port.....	29,870	3,797	
Total direct obligations.....	430,048	39,000	
Reimbursable obligations:			
1. Ammunition.....	2,764	10,279	770
2. Ordnance equipment.....	16,328	11,426	23,460
3. Ordnance guided missiles.....	7,134	18,295	3,356
4. Development, test, and evaluation sup- port.....	1		
Total reimbursable obligations.....	26,227	40,000	27,586
Total obligations.....	456,275	79,000	27,586
Financing:			
Comparative transfers to other accounts.....	160,484		
Unobligated balance brought forward.....	-81,512	-105,816	-27,586
Unobligated balance transferred to "Re- search, development, test, and evaluation, Navy" (73 Stat. 377).....	4,433		
Unobligated military assistance orders trans- ferred from other service accounts.....	-11,333	-770	
Advances and reimbursements from— Military assistance orders.....	-21,193		
Other accounts.....	-29,365		
Non-Federal sources (10 U.S.C. 6011).....	-386		
Unobligated balance carried forward.....	105,816	27,586	
New obligational authority.....	583,219		

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	567,719		
Transferred from "Emergency fund, Department of Defense" (73 Stat. 383).....	15,500		
Appropriation (adjusted).....	583,219		

This appropriation provided funds in 1960 and prior years for the production and procurement of Navy ordnance and ammunition (except ordnance for new aircraft, new ships, and conversions). Procurement programs previously funded under this appropriation are funded under the Procurement of aircraft and missiles, Navy; Other procurement, Navy; and Research, development, test, and evaluation, Navy appropriations in 1961 and 1962. The amounts shown as obligations in 1961 and 1962 represent continuation of previously approved programs. There will be no obligations in this account after June 30, 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	4,778	1,088	
Other personnel compensation.....	83	14	
Total personnel compensation.....	4,861	1,102	
12 Personnel benefits.....	326	75	
21 Travel and transportation of persons.....	60		
22 Transportation of things.....	1,389	125	
25 Other services.....	240,056	21,224	
26 Supplies and materials.....	149,454	13,428	
31 Equipment.....	33,902	3,046	
Total direct obligations.....	430,048	39,000	
Reimbursable obligations:			
26 Supplies and materials.....	11,899	17,110	5,126
31 Equipment.....	14,328	22,890	22,460
Total reimbursable obligations.....	26,227	40,000	27,586
Total obligations.....	456,275	79,000	27,586

Personnel Summary

Total number of permanent positions.....	1,119	387
Average number of all employees.....	897	195
Number of employees at end of year.....	911	0
Average GS grade.....	6.7	6.8
Average GS salary.....	\$5,733	\$6,212
Average salary of ungraded positions.....	\$5,209	\$5,492

AIRCRAFT, MISSILES, AND RELATED PROCUREMENT (AIR FORCE)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Aircraft.....	467,299	215,000	25,874
2. Missiles.....	81,502		
Total direct obligations.....	548,801	215,000	25,874

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Aircraft.....	54,060		
Total obligations.....	602,861	215,000	25,874
Financing:			
Unobligated balance brought forward.....	-2,182,323	-1,420,074	-25,874
Unobligated balance transferred (73 Stat. 375, 377; 74 Stat. 347, 348) to—			
"Aircraft procurement, Air Force".....		484,200	
"Missile procurement, Air Force".....	127,450	535,400	
"Research, development, test, and evaluation, Air Force".....	11,875	184,600	
"Emergency fund, Department of Defense".....	33,000		
Unobligated military assistance orders transferred from (-) other service accounts.....	-30,997	-25,000	
Advances and reimbursements from other accounts.....	18,060		
Unobligated balance carried forward.....	1,420,074	25,874	
New obligational authority (appropriation).....			

This appropriation provided funds in 1959 and prior years for the procurement and development of aircraft, missiles, and related equipment, which are now financed in the three new procurement appropriations of the Air Force. The amounts shown provide for completion of previously approved programs.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
22 Transportation of things.....	15,469	5,800	1,000
26 Supplies and materials.....	26,706	12,000	2,000
31 Equipment.....	506,626	197,200	22,874
Total direct obligations.....	548,801	215,000	25,874
Reimbursable obligations:			
31 Equipment.....	54,060		
Total obligations.....	602,861	215,000	25,874

PROCUREMENT OTHER THAN AIRCRAFT AND MISSILES (AIR FORCE)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Weapons, ammunition, and propellants.....	988	2,200	700
2. Vehicular equipment.....	5,772	400	200
3. Ground communication—electronic equipment.....	228,954	42,300	12,100
4. Ground handling equipment.....	87,534	17,000	5,000
5. Training equipment.....	32,367	12,000	4,300
6. Support equipment and supplies.....	58,402	20,300	4,500
7. Base maintenance equipment.....	23,164	2,800	1,831
Total obligations.....	437,181	97,000	28,631
Financing:			
Unobligated balance brought forward.....	-707,675	-231,264	-28,631
Unobligated balance transferred (74 Stat. 347) to—			
"Missile procurement, Air Force".....		13,300	
"Other procurement, Air Force".....		62,755	

PROCUREMENT—Continued**Current authorizations—Continued****PROCUREMENT OTHER THAN AIRCRAFT AND MISSILES
(AIR FORCE)—Continued****Program and Financing (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated military assistance orders transferred to other service accounts.....	36,337	25,000	-----
Advances and reimbursements from other accounts.....	2,894	4,578	-----
Unobligated balance carried forward.....	231,264	28,631	-----
New obligational authority (appropriation)	-----	-----	-----

This appropriation provided funds in 1959 and prior years for the procurement of ground handling and support equipment for aircraft and missile systems, and for various electronic telecommunication systems which, in 1960 and subsequent years are financed in three new appropriations. The amounts shown herein represents continuation of previously approved programs.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AIR FORCE			
22 Transportation of things.....	10,620	5,000	1,300
26 Supplies and materials.....	84,907	18,000	4,000
31 Equipment.....	341,529	73,716	23,331
Total, Air Force.....	437,056	96,716	28,631
ALLOCATION ACCOUNTS			
11 Personnel compensation: Positions other than permanent.....	4	-----	-----
25 Other services.....	121	284	-----
Total, allocation accounts.....	125	284	-----
Total obligations.....	437,181	97,000	28,631
Obligations are distributed as follows:			
Air Force.....	437,056	96,716	28,631
Atomic Energy Commission.....	122	284	-----
Federal Aviation Agency.....	3	-----	-----

Personnel Summary

ALLOCATION ACCOUNTS			
Average number of all employees.....	1	-----	-----
Number of employees at end of year.....	0	-----	-----

**RESEARCH, DEVELOPMENT, TEST, AND
EVALUATION**

The appropriations in this title provide the principal support for the research, development, test, and evaluation activities of the Department of Defense, including basic and applied research, general technical development, development of new weapons and equipment, fabrication and procurement of items under development for test and evaluation, and operation and maintenance of laboratories

and test facilities engaged in the conduct of research, development, test, and evaluation. Of the additional obligation amounts for development, test, and evaluation which have been carried in procurement appropriations in the past, only those for certain aircraft and missile systems of the Air Force and minor amounts for Navy aircraft remain in procurement accounts in 1962. The amounts in this title together with those identified as development, test, and evaluation in the procurement appropriations come to the following combined total estimates for research, development, test, and evaluation activities:

TOTAL DIRECT OBLIGATIONS

(In millions of dollars)

	1960 actual	1961 estimate	1962 estimate
Research, development, test, and evaluation appropriations.....	3,966.7	4,666.7	4,365.4
Development, test, and evaluation identified in procurement appropriations.....	1,512.2	1,602.7	1,378.2
Total research, development, test, and evaluation ¹.....	5,478.9	6,269.4	5,743.6

¹ Exclusive of military personnel and military construction.

The amounts provided in 1962 will generally continue and in some fields augment the present high levels of effort in basic research, applied research, and general technical development, and will maintain approximately the current level of operation of the laboratories and test installations of the Department of Defense. They will also carry forward the development of a wide variety of major weapons systems and other specific developments for which the annual requirements fluctuate depending on the status of development, the phasing of the effort, and the quantities and cost of the test articles required.

The peaking in 1961 of total obligations shown above is the net result of fluctuating requirements for development projects in the years involved. In the case of the development, test, and evaluation items remaining in the procurement appropriations, 1961 is the last year of large scale development funding for several major projects which are progressing into the stage of production for service use, such as the Navy A2F attack and W2F early warning-control aircraft and the Air Force Atlas missile system. In 1962 the decreases for these projects more than offset the increases for the Air Force B-70 supersonic bomber project. In the research, development, test, and evaluation appropriations, total obligations peak in 1961 partly because of changes in program phasing under which obligations previously planned for 1960 are now to be incurred in 1961, and partly because the obligation requirements are higher in 1961 than in 1962 for a number of major specific programs, such as the Army Pershing missile, the Navy Polaris missile, and the Air Force Discoverer satellite. In the case of the Air Force, the increased 1961 obligations will be financed in part by the transfer of unprogramed balances from procurement accounts.

The estimated obligations under the appropriations in this title for the Army, Navy, Air Force, Advanced Research Projects Agency, and the emergency fund are summarized below (in millions of dollars):

Summary of program by activities:	1960 actual	1961 estimate	1962 estimate
1. Military sciences.....	513.3	687.4	623.7
2. Aircraft and related equipment.....	333.3	403.2	365.6
3. Missiles and related equipment.....	1,542.1	1,838.9	1,580.5
4. Military astronautics and related equipment.....	421.4	511.2	584.0
5. Ships and small craft and related equipment.....	196.4	207.2	171.7

	1960 actual	1961 estimate	1962 estimate
Summary of program by activities—Con.			
6. Ordnance, combat vehicles, and related equipment.....	214.8	159.6	153.0
7. Other equipment.....	519.8	473.3	493.9
8. Programwide management and support.....	225.6	245.2	243.0
9. Emergency fund.....	-----	140.7	150.0
Total direct obligations.....	3,966.7	4,666.7	4,365.4

1. *Military sciences.*—This activity includes basic research in the life, physical, and social sciences to add to the store of fundamental scientific knowledge; 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 1962 are materials with physical properties superior to those presently available, higher performance rocket fuels, thermoelectric materials, nonlethal chemical and biological agents, neurosensory phenomena, radio astronomy, oceanography, high altitude phenomena, cargo packaging, blood substitutes, nuclear phenomena, advanced radar techniques, more reliable electronic components, underwater sound propagation characteristics, and automatic data processing. Amounts have been provided in 1962 for augmenting the research effort in such fields as high energy physics, materials, the physics of matter, and atmospheric and biomedical sciences. In addition to the amounts in this activity, basic and applied research performed within overhead arrangements on some procurement contracts is funded in the procurement accounts. Supporting research associated with development projects is funded under the other activities below. The principal support of such organizations as the Naval Research Laboratory, the Air Force's Cambridge Research Laboratories 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, engines, armament, electrical devices, and other installed equipment, except that the development of the Air Force B-70 and the new jet cargo aircraft for the Military Air Transport Service remain in the procurement accounts. The 1962 program in this activity emphasizes the development of Army tactical aircraft including mobility and reconnaissance types, and a prototype tri-service vertical takeoff and landing transport aircraft. Research and development will be continued in 1962 on the ground launched near orbital Dynasoar vehicle initiated as a system development in 1961. Under the aircraft nuclear propulsion program conducted jointly by the Air Force and the Atomic Energy Commission, one powerplant development program will be continued. Research and test centers primarily funded under this activity include the Air Force's Arnold Engineering Development Center and Edwards Flight Test Center and the Naval Air Test Center.

3. *Missiles and related equipment.*—This activity provides for research, development, test, and evaluation of guided missiles of all types except that procurement funds are used for the major portion of the development work on Air Force ballistic missile systems—Atlas, Titan, and Minuteman. A major research and development effort is being continued in 1962 in the field of defense against ballistic missiles under the Army's Nike-Zeus antimissile project; this is in addition to an extensive research effort

on new techniques funded by the Advanced Research Projects Agency within the activity "Military sciences," above. Other Army missile developments include the tactical surface-to-air missiles Mauler and Hawk, and the surface-to-surface missiles Sergeant and Pershing. In the strategic field, the Navy's Polaris system is continued as a high priority development. Development work will continue on the Air Force Skybolt air launched ballistic missile. Other significant Navy missile development projects include Typhon and Eagle for fleet air defense and the Subroc antisubmarine system. 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 three national missile ranges: the Atlantic, Pacific, and White Sands Missile Ranges; the Air Proving Ground and Missile Development Centers of the Air Force; the Naval Ordnance Test Station and Applied Physics Laboratory of the Navy; and the research divisions under the Army Ordnance Missile Command at Huntsville, Ala.

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. Research and development in such areas as upper stage propulsion, secondary power, guidance, navigation components, and payload equipment for space and satellite systems are included under this activity. During 1960, technical and management responsibility was transferred from the Advanced Research Projects Agency to Air Force for continuing development effort on the Samos reconnaissance satellite, the Discoverer vehicle development system, and the Midas early warning satellite, and to Navy for continuing development effort on the Transit navigation satellite. In 1961 the remaining uncompleted space vehicle development program, Advent, the communication satellite, was transferred from the Advanced Research Projects Agency to the Army. Provision is made for carrying all of these development programs forward at high levels in 1962.

5. *Ships and small craft and related equipment.*—This activity provides for research, development, test, and evaluation related to ships and small craft, except that funds are included in the regular shipbuilding appropriation for the construction of ships of advanced design and ships employed in the development, test, and evaluation of new components and techniques. Funds in this activity will provide in 1962 for the development of advanced engines and propulsion machinery, communications and other shipboard electronic equipment, catapults and arresting gear, and other installed equipment. 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 includes improved artillery, rockets, mortars, antitank weapons, tank armament, and small arms. Vehicle development includes tactical carriers and high mobility logistic transporters. Development will be continued on more effective ammunition, mines, and grenades. Among the developments which will be emphasized in 1962 are new division and direct support weapons to provide an advanced capability, giving both atomic and nonatomic firepower. The 1962 Navy program continues to emphasize antisubmarine weapons and includes mines, depth charges, torpedoes, bombs, rockets, and other types of ammunition. Weapons and support vehicles, including ground effect "air cushion" machines, for the Marine Corps are also provided for in this activity.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

This activity provides the principal support of the Naval Ordnance Laboratory and of research, development, test, and evaluation activities at several 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 under development in 1962 are communications equipment in all three services; mine warfare, combat surveillance, materials handling, obstacle crossing equipment, and protective clothing and equipment for the Army; detection, and warning equipment, and shore-based antisubmarine and mine countermeasures systems in the Navy; and photographic and personal equipment, and aircraft control and warning, missile detection, and other electronic 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 those costs of operation, management, and maintenance of research, development, and test facilities of the Department of Defense which are not distributed directly to the other budget activities, and for certain costs of central administration such as the headquarters of the Air Research and Development Command.

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.

Current authorizations

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, ARMY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, **[\$1,041,286,000]** \$1,130,400,000, 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. 2353; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Military sciences.....	149,871	176,047	187,987
2. Aircraft and related equipment.....	22,618	35,067	39,727
3. Missiles and related equipment.....	474,521	542,426	456,960
4. Military astronautics and related equipment.....		40,000	57,000
5. Ships and small craft and related equipment.....	1,090	600	650
6. Ordnance, combat vehicles, and related equipment.....	108,729	83,860	86,913
7. Other equipment.....	213,317	180,734	198,458
8. Programwide management and support.....	102,085	100,266	102,705
Total direct obligations.....	1,072,231	1,159,000	1,130,400
Reimbursable obligations:			
1. Military sciences.....	220	221	221
3. Missiles and related equipment.....	188	1,000	2,000
6. Ordnance, combat vehicles, and related equipment.....	455	790	790

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations—Continued			
7. Other equipment.....	2,775	5,787	3,927
8. Programwide management and support.....	430	5,202	5,062
Total reimbursable obligations.....	4,068	13,000	12,000
Total obligations.....	1,076,299	1,172,000	1,142,400
Financing:			
Comparative transfers from (—) other accounts.....	—28,060	—101,450	—37,736
Unobligated balance brought forward.....	—57,442		
Unobligated balance transferred from "Procurement of equipment and missiles, Army" (73 Stat. 376).....	—10,000		
Advances and reimbursements from—			
Other accounts.....	—3,758	—12,617	—11,617
Non-Federal sources.....	—310	—383	—383
Recovery of prior year obligations.....	—4,051		
Unobligated balance carried forward.....	101,450	37,736	37,736
New obligational authority.....	1,074,128	1,095,286	1,130,400
New obligational authority:			
Appropriation.....	1,035,715	1,041,286	1,130,400
Transferred from—			
"Emergency fund, Department of Defense" (73 Stat. 377).....	38,413		
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (74 Stat. 349).....		42,000	
Appropriation (adjusted).....	1,074,128	1,083,286	1,130,400
Proposed supplemental due to pay increases.....		12,000	

Object Classification (in thousands of dollars)

ARMY			
Personnel compensation:			
Permanent positions.....	87,036	100,176	103,703
Positions other than permanent.....	308	267	264
Other personnel compensation.....	3,039	3,044	3,332
Total personnel compensation.....	90,383	103,487	107,299
Direct obligations:			
11 Personnel compensation.....	88,317	101,785	105,537
12 Personnel benefits.....	4,803	6,304	6,514
21 Travel and transportation of persons.....	6,876	6,854	6,980
22 Transportation of things.....	1,247	1,314	1,197
23 Rent, communications, and utilities.....	2,717	2,349	3,455
24 Printing and reproduction.....	37	40	80
25 Other services.....	773,587	836,751	806,510
Services of other agencies.....	19,114	32,722	31,431
26 Supplies and materials.....	77,669	77,555	74,537
31 Equipment.....	88,035	87,552	84,117
32 Lands and structures.....	3,259	936	998
41 Grants, subsidies, and contributions.....	1,943	4,769	8,975
44 Refunds.....	69	69	69
Total direct obligations.....	1,067,673	1,159,000	1,130,400
Reimbursable obligations:			
11 Personnel compensation.....	2,066	1,702	1,762
12 Personnel benefits.....	5	48	48
21 Travel and transportation of persons.....	31	21	23
22 Transportation of things.....	2	44	59
23 Rent, communications, and utilities.....	36	54	45
25 Other services.....	563	6,819	5,886
26 Supplies and materials.....	1,185	3,600	3,510
31 Equipment.....	148	712	667
32 Lands and structures.....	32		
Total reimbursable obligations.....	4,068	13,000	12,000
Total, Army.....	1,071,741	1,172,000	1,142,400

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation: Positions other than permanent.....	14		
25 Other services.....	4,315		
26 Supplies and materials.....	229		
Total, allocation accounts.....	4,558		
Total obligations.....	1,076,299	1,172,000	1,142,400
Obligations are distributed as follows:			
Army.....	1,071,741	1,172,000	1,142,400
Atomic Energy Commission.....	4,271		
Veterans Administration.....	249		
Department of Commerce.....	38		

Personnel Summary			
ARMY			
Total number of permanent positions.....	14,645	15,160	15,113
Full-time equivalent of other positions.....	64	54	53
Average number of all employees.....	13,531	13,979	14,494
Number of employees at end of year.....	14,549	14,603	14,599
Average GS grade.....	8.5	8.6	8.6
Average GS salary.....	\$7,123	\$7,530	\$7,536
Average salary of ungraded positions.....	\$5,350	\$5,450	\$5,450
ALLOCATION ACCOUNTS			
Full-time equivalent of other positions.....	3		
Average number of all employees.....	3		

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, **[\$1,218,624,000]** \$1,267,000,000, 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, 2352-4, 5150-3, 7201, 7203, 7522; 31 U.S.C. 718; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Military sciences.....	149,387	139,207	138,043
2. Aircraft and related equipment.....	90,945	106,118	85,910
3. Missiles and related equipment.....	681,597	711,498	680,564
4. Military astronautics and related equipment.....		28,200	23,000
5. Ships and small craft and related equipment.....	195,271	206,575	171,064
6. Ordnance, combat vehicles, and related equipment.....	92,908	70,750	66,073
7. Other equipment.....	42,478	40,611	38,457
8. Programwide management and support.....	45,273	53,041	49,889
Total direct obligations.....	1,297,859	1,356,000	1,253,000

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Military sciences.....	5,289	5,505	3,276
2. Aircraft and related equipment.....	764	856	856
3. Missiles and related equipment.....	7,295	21,528	21,231
5. Ships and small craft and related equipment.....	2,542	4,379	4,405
6. Ordnance, combat vehicles, and related equipment.....	3,822	5,475	5,475
7. Other equipment.....	967	1,260	1,260
8. Programwide management and support.....	2,765	1,497	1,497
Total reimbursable obligations.....	23,444	40,500	38,000
Subtotal.....	1,321,303	1,396,500	1,291,000
Less intrafund obligations.....	1,540	4,600	4,600
Total obligations.....	1,319,763	1,391,900	1,286,400
Financing:			
Comparative transfers from (—) other accounts.....	—261,398		
Unobligated balance brought forward.....	—44,975	—82,859	—26,278
Unobligated balances transferred from "Procurement of ordnance and ammunition, Navy" (73 Stat. 377).....	—4,433		
Advances and reimbursements from—			
Other accounts.....	—24,858	—34,900	—32,400
Non-Federal sources.....	—433	—1,000	—1,000
Unobligated balance carried forward.....	82,859	26,278	40,278
New obligational authority.....	1,066,524	1,299,419	1,267,000
New obligational authority:			
Appropriation.....	1,015,920	1,218,624	1,267,000
Transferred from—			
"Emergency fund, Department of Defense" (73 Stat. 377, 74 Stat. 349).....	50,604	3,025	
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (74 Stat. 349).....		7,000	
"Emergency fund, Department of Defense" (74 Stat. 355).....		70,770	
Appropriation (adjusted).....	1,066,524	1,299,419	1,267,000

Object Classification (in thousands of dollars)			
NAVY			
Personnel compensation:			
Permanent positions.....	147,438	157,106	156,316
Positions other than permanent.....	353	416	406
Other personnel compensation.....	6,610	6,262	5,587
Total personnel compensation.....	154,401	163,784	162,309
Direct obligations:			
11 Personnel compensation.....	151,954	159,944	158,427
12 Personnel benefits.....	10,270	12,307	12,175
21 Travel and transportation of persons.....	5,625	5,165	5,200
22 Transportation of things.....	447	412	402
23 Rent, communications, and utilities.....	11,044	12,155	12,061
24 Printing and reproduction.....	715	709	708
25 Other services.....	896,137	940,813	839,382
Services of other agencies.....	1,183	1,104	1,070
26 Supplies and materials.....	49,707	52,399	52,538
31 Equipment.....	168,920	169,039	169,110
32 Lands and structures.....	809	797	787
41 Grants, subsidies, and contributions.....	924	1,025	1,020
42 Insurance claims and indemnities.....	115	120	120
Total direct obligations.....	1,297,850	1,355,989	1,253,000
Reimbursable obligations:			
11 Personnel compensation.....	2,447	3,840	3,882
12 Personnel benefits.....	119	205	205
21 Travel and transportation of persons.....	52	96	96

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Current authorizations—Continued

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, NAVY—CON.

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
NAVY—Continued			
Reimbursable obligations—Continued			
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	1,724	2,027	2,027
24 Printing and reproduction.....	7	10	10
25 Other services.....	13,301	28,054	25,536
26 Supplies and materials.....	185	470	454
31 Equipment.....	5,147	5,330	5,322
32 Lands and structures.....	3	6	6
41 Grants, subsidies, and contributions.....	458	460	460
Total reimbursable obligations.....	23,444	40,500	38,000
Subtotal.....	1,321,294	1,396,489	1,291,000
Less intrafund obligations.....	1,540	4,600	4,600
Total, Navy.....	1,319,754	1,391,889	1,286,400
ALLOCATION ACCOUNTS			
11 Personnel compensation.....	7	7	-----
12 Personnel benefits.....	-----	1	-----
26 Supplies and materials.....	2	3	-----
Total, allocation accounts.....	9	11	-----
Total obligations.....	1,319,763	1,391,900	1,286,400
Obligations are distributed as follows:			
Navy.....	1,319,754	1,391,889	1,286,400
Federal Aviation Agency.....	3	-----	-----
Bureau of Mines.....	6	11	-----

Personnel Summary

NAVY			
Total number of permanent positions.....	25,107	25,073	24,857
Full-time equivalent of other positions.....	61	61	59
Average number of all employees.....	23,599	23,794	23,648
Number of employees at end of year.....	24,405	24,423	24,160
Average GS grade.....	9.0	9.2	9.2
Average GS salary.....	\$7,315	\$7,919	\$7,943
Average salary of ungraded positions.....	\$5,609	\$5,741	\$5,759
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	1	1	-----
Average number of all employees.....	1	1	-----
Number of employees at end of year.....	1	1	-----
Average GS grade.....	8.0	8.1	-----
Average GS salary.....	\$6,560	\$7,124	-----

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AIR FORCE

For expenses necessary for basic and applied scientific research, development, test, and evaluation, including maintenance, rehabilitation, lease, and operation of facilities and equipment, as authorized by law, **[\$1,552,863,000]** \$1,637,000,000, 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: *Provided further*, 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 installa-

tions or those now under construction]. (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; 42 U.S.C. 1891-93; 50 U.S.C. App. 2093; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Military sciences.....	89,162	143,000	134,000
2. Aircraft and related equipment.....	219,768	262,000	240,000
3. Missiles and related equipment.....	385,960	585,000	443,000
4. Military astronautics and related equipment.....	343,857	424,000	504,000
6. Ordnance, combat vehicles, and related equipment.....	13,199	5,000	-----
7. Other equipment.....	264,006	252,000	257,000
8. Programwide management and support.....	76,274	90,000	89,000
Total direct obligations.....	1,392,226	1,761,000	1,667,000
Reimbursable obligations:			
1. Military sciences.....	772	186	-----
2. Aircraft and related equipment.....	85	193	-----
3. Missiles and related equipment.....	-----	1,149	-----
4. Military astronautics and related equipment.....	94,785	136,600	134,518
6. Ordnance, combat vehicles, and related equipment.....	264	7,703	-----
7. Other equipment.....	2,670	-----	-----
8. Programwide management and support.....	32,327	19,769	15,482
Total reimbursable obligations.....	130,903	165,600	150,000
Total obligations.....	1,523,129	1,926,600	1,817,000
Financing:			
Comparative transfers from (—) other accounts.....	—42,620	-----	-----
Unobligated balance brought forward.....	—85,532	—233,651	—210,064
Unobligated balance transferred to "Plant acquisition and construction," Atomic Energy Commission (74 Stat. 751).....	-----	6,300	-----
Unobligated balances transferred from—"Aircraft, missiles, and related procurement (Air Force)" (73 Stat. 377; 74 Stat. 348).....	—11,875	—184,600	-----
"Salaries and expenses, Advanced Research Projects Agency, Department of Defense" (73 Stat. 377).....	—19,000	-----	-----
"Emergency fund, Department of Defense" (73 Stat. 377).....	—18,000	-----	-----
Advances and reimbursements from—	-----	-----	-----
Military assistance orders.....	-----	—283	-----
Other accounts.....	—128,540	—164,011	—148,708
Non-Federal sources.....	—2,363	—1,306	—1,292
Unobligated balances carried forward.....	233,651	210,064	180,064
New obligational authority.....	1,448,850	1,559,113	1,637,000
New obligational authority:			
Appropriation.....	1,159,900	1,552,863	1,637,000
Transferred from—	-----	-----	-----
"Emergency fund, Department of Defense" (73 Stat. 377; 74 Stat. 349).....	32,700	6,250	-----
"Salaries and expenses Advanced Research Projects Agency, Department of Defense" (73 Stat. 377).....	256,250	-----	-----
Appropriation (adjusted).....	1,448,850	1,559,113	1,637,000

Object Classification (in thousands of dollars)

AIR FORCE			
Personnel compensation:			
Permanent positions.....	146,259	156,702	157,902
Positions other than permanent.....	143	260	276
Other personnel compensation.....	4,569	3,775	3,490
Total personnel compensation.....	150,971	160,737	161,668

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
AIR FORCE—Continued			
Direct obligations:			
11 Personnel compensation.....	139,834	159,931	160,780
12 Personnel benefits.....	9,643	12,188	12,296
21 Travel and transportation of persons.....	7,874	9,237	11,184
22 Transportation of things.....	2,535	2,961	2,761
23 Rent, communications, and utilities.....	20,844	24,670	25,182
24 Printing and reproduction.....	1,042	1,060	1,235
25 Other services.....	1,131,427	1,440,087	1,353,054
Services of other agencies.....	15,981	22,000	22,000
26 Supplies and materials.....	38,216	38,587	31,812
31 Equipment.....	24,861	50,328	46,755
Subtotal.....	1,392,257	1,761,049	1,667,059
Deduct quarters and subsistence charges.....	50	49	59
Total direct obligations.....	1,392,207	1,761,000	1,667,000
Reimbursable obligations:			
11 Personnel compensation.....	11,137	806	888
12 Personnel benefits.....	714	42	62
21 Travel and transportation of persons.....	2,080	39	76
22 Transportation of things.....	111	27	52
23 Rent, communications, and utilities.....	3,633	2,796	2,873
24 Printing and reproduction.....	11	9	11
25 Other services.....	108,195	156,717	141,031
26 Supplies and materials.....	4,505	4,946	4,739
31 Equipment.....	517	218	268
Total reimbursable obligations.....	130,903	165,600	150,000
Total, Air Force.....	1,523,110	1,926,600	1,817,000
ALLOCATION ACCOUNTS			
11 Personnel compensation: Permanent positions.....	6		
25 Other services.....	7		
26 Supplies and materials.....	2		
31 Equipment.....	4		
Total, allocation accounts.....	19		
Total obligations.....	1,523,129	1,926,600	1,817,000
Obligations are distributed as follows:			
Air Force.....	1,523,110	1,926,600	1,817,000
Veterans Administration.....	12		
Department of Commerce.....	7		

Personnel Summary

AIR FORCE			
Total number of permanent positions.....	23,650	23,491	23,642
Full-time equivalent of other positions.....	18	38	41
Average number of all employees.....	23,129	23,143	23,137
Number of employees at end of year.....	23,018	23,311	23,458
Average GS grade.....	7.7	7.8	7.8
Average GS salary.....	\$6,386	\$6,973	\$7,030
Average salary of ungraded positions.....	\$6,246	\$6,435	\$6,520
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.....	8.0		
Average GS salary.....	\$5,885		

SALARIES AND EXPENSES, ADVANCED RESEARCH PROJECTS AGENCY, DEPARTMENT OF DEFENSE

For expenses necessary for such advanced research projects as may be designated and determined by the Secretary of Defense, pursuant to law, **[\$215,000,000]** \$165,000,000, 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 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. (74 Stat. 348, 349; Department of Defense Appropriation Act, 1961.)

Note.—Estimate for 1961 excludes \$140 million for activities transferred in the estimates to National Aeronautics and Space Administration appropriations as follows (in thousands of dollars):
 "Salaries and expenses"..... 34,316
 "Research and development"..... 92,684
 "Construction and equipment"..... 13,000
 The amounts obligated in 1960 are shown in the schedule as a part of the comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Military sciences.....	124,913	229,100	163,650
4. Military astronautics and related equipment.....	77,511	19,045	
8. Programwide management and support.....	1,971	1,855	1,350
Total direct obligations.....	204,395	250,000	165,000
Reimbursable obligations:			
4. Military astronautics and related equipment.....	800	500	
Total obligations.....	205,195	250,500	165,000
Financing:			
Comparative transfers to other accounts.....	110,630		
Unobligated balance brought forward.....	-112,146	-122,741	-38,741
Unobligated balance transferred to "Research, development, test, and evaluation, Air Force" (73 Stat. 377).....	19,000		
Unobligated balance transferred from "Emergency fund, Department of Defense" (73 Stat. 377).....	-15,000		
Advances and reimbursements from other accounts.....	-800	-500	
Unobligated balance carried forward.....	122,741	38,741	38,741
New obligational authority.....	329,620	166,000	165,000
New obligational authority:			
Appropriation.....	455,000	215,000	165,000
Transferred (73 Stat. 377) from—			
"Emergency fund, Department of Defense".....	55,870		
"Missile procurement, Air Force".....	75,000		
Transferred (73 Stat. 377, 74 Stat. 349) to—			
"Research, development, test, and evaluation, Army".....		-42,000	
"Research, development, test, and evaluation, Navy".....		-7,000	
"Research, development, test, and evaluation, Air Force".....	-256,250		
Appropriation (adjusted).....	329,620	166,000	165,000

Object Classification (in thousands of dollars)

Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	463	797	953
Positions other than permanent.....	7	18	18
Other personnel compensation.....	6	8	8
Total personnel compensation.....	476	823	979
12 Personnel benefits.....	32	60	71
21 Travel and transportation of persons.....	85	90	140
22 Transportation of things.....	2	3	3
23 Rent, communications, and utilities.....	13	18	21
24 Printing and reproduction.....	22	30	34

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, ADVANCED RESEARCH PROJECTS AGENCY,
DEPARTMENT OF DEFENSE—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations—Continued			
25 Other services.....	203,699	248,931	163,725
26 Supplies and materials.....	8	10	12
31 Equipment.....	58	35	15
Total direct obligations.....	204,395	250,000	165,000
Reimbursable obligations:			
25 Other services.....	800	500	
Total obligations.....	205,195	250,500	165,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	65	97	95
Full-time equivalent of other positions.....	1	2	2
Average number of all employees.....	55	80	96
Number of employees at end of year.....	61	95	95
Average GS grade.....	8.8	9.8	9.8
Average GS salary.....	\$7,406	\$8,905	\$8,964

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. (74 Stat. 349; Department of Defense Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Research and development contingencies (reserve for transfer) (undistributed).....		140,725	150,000
Financing:			
Unobligated balance transferred (73 Stat. 377) to—			
“Research, development, test and evaluation, Air Force”.....	18,000		
“Salaries and expenses, Advanced Research Projects Agency, Department of Defense”.....	15,000		
Unobligated balance transferred from “Aircraft, missiles, and related procurement (Air Force)” (73 Stat. 377).....	—33,000		
Unobligated balance lapsing.....	5,288		
New obligational authority.....	5,288	140,725	150,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	150,000	150,000	150,000
Transferred (73 Stat. 377) from—			
“Military personnel, Army”.....	28,875		
“Reserve personnel, Army”.....	4,000		
Transferred (73 Stat. 383; 74 Stat. 355) from—			
“Military personnel, Marine Corps”.....	12,000		
“Reserve personnel, Navy”.....	3,000		
“Operation and maintenance, Navy”.....	500		
“Shipbuilding and conversion, Navy”.....		70,770	
Transferred (73 Stat. 377; 74 Stat. 349) to—			
“Research, development, test, and evaluation, Army”.....	—38,413		
“Research, development, test, and evaluation, Navy”.....	—50,604	—3,025	
“Research, development, test, and evaluation, Air Force”.....	—32,700	—6,250	
“Salaries and expenses, Advanced Research Projects Agency, Department of Defense”.....	—55,870		
Transferred (73 Stat. 383; 74 Stat. 355) to—			
“Procurement of ordnance and ammunition, Navy”.....	—15,500		
“Research, development, test, and evaluation, Navy”.....		—70,770	
Appropriation (adjusted).....	5,288	140,725	150,000

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 (in thousands of dollars):

MILITARY CONSTRUCTION OBLIGATIONS

	1960 actual	1961 estimate	1962 estimate
Current authorizations:			
Regular Forces.....	1,273,757	1,298,794	1,111,000
Reserve Forces.....	56,343	67,674	64,000
Interservice activities.....	31,451	38,384	10,000
Total.....	1,361,551	1,404,852	1,185,000

Most of the new appropriations for the military construction accounts are dependent on the enactment of new authorizing legislation. The details of this legislation have been completed and are being submitted to the Congress for early consideration.

1. *Major construction.*—This program provides for acquisition of land for and construction of military projects in the United States and overseas as authorized in currently effective military construction acts and the new authorization referred to above.

The 1962 program continues the support required for our expanding ballistic missile arsenal through the construction of facilities for the Polaris system and additional operational sites for the Titan and Minuteman missiles. The capabilities of the manned bomber forces and their associated tankers will be increased by the construction of additional facilities at existing installations.

In the field of air defense, facilities will be provided to accommodate the F-106 aircraft coming into the inventory as well as a minor redeployment of the interceptors. Improvements to the Nike-Hercules and Hawk systems will be made and further construction for the installation

of improved radars will be provided for the aircraft control and warning net.

Facilities for the aviation units in support of the Army and Marine Corps ground forces will be constructed. Several major projects are proposed to improve the training facilities of the ground forces, and additional construction is required to support their deployment overseas.

Continued improvement of the waterfront and air installations in support of the Navy striking forces will be accomplished by a variety of projects including improvement of piers and pier utilities, dredging to accommodate deeper draft submarines, provision of maintenance hangars, aircraft parking aprons, and runway improvements. Provision is also made for additional training facilities required to keep operating personnel abreast of rapidly changing technologies in both fleet and air operations.

The research and development projects will provide facilities to increase our capabilities in many fields, such as ballistic missiles, space, electronics, chemical, and medical. The facilities range from laboratory buildings housing many separate but associated activities to unique structures performing one main function, such as the simulation of pressure and other conditions affecting the payload of space vehicles from blast-off to orbit. Construction is also proposed for the first increment of the Atlantic Underwater Test and Evaluation Center to study the problems associated with undersea warfare.

Additional links and improvements to the various communications systems will be built and a number of facilities are to be constructed to provide the Defense Communications Agency with control points for the major long-haul networks of the Armed Forces. There also will be facilities to augment the logistic, materiel, and administrative functions of the Armed Forces, as well as facilities for personnel in the housing, medical, and community areas of the many installations.

The facilities required for the training of the Reserve Forces include: Armories and training centers; nonarmory facilities such as maintenance shops and warehouses; and aviation facilities such as airfield pavements, maintenance shops, and training buildings.

2. *Minor construction.*—Provision is made for construction of permanent and temporary projects that are not otherwise authorized by law but which are determined to be urgently required and do not exceed \$200 thousand per project for the Regular Forces and \$50 thousand per project for the Reserve Forces.

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 minor land acquisitions.

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 currently authorized in military public works or military construction Acts, in sections 2673 and 2675 of title 10, United States Code, to remain available until expended, **[\$148,407,000]** \$210,000,000. (*Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Major construction.....	209,721	164,855	194,000
2. Minor construction.....	2,897	4,000	5,000
3. Planning.....	10,293	11,000	13,000
4. Supporting activities.....	9,459	11,000	5,000
Total direct obligations.....	232,370	190,855	217,000
Reimbursable obligations:			
1. Major construction.....	65	51,613	-----
4. Supporting activities.....	2,173	6,000	6,000
Total reimbursable obligations.....	2,238	57,613	6,000
Total obligations.....	234,608	248,468	223,000
Financing:			
Comparative transfers from (—) other accounts (goods and services provided by Berlin Magistrat).....	—2,119	—1,855	-----
Unobligated balance brought forward.....	—105,064	—138,445	—97,852
Advances and reimbursements from—			
Other accounts.....	—33	—51,613	-----
Non-Federal sources (69 Stat. 646).....	—2,205	—6,000	—6,000
Unobligated balance carried forward.....	138,445	97,852	90,852
New obligational authority (appropriation)	263,632	148,407	210,000

Object Classification (in thousands of dollars)

ARMY			
Personnel compensation:			
Permanent positions.....	23,780	23,815	21,279
Positions other than permanent.....	145	137	144
Other personnel compensation.....	1,699	1,106	616
Total personnel compensation.....	25,624	25,058	22,039
Direct obligations:			
11 Personnel compensation.....	23,545	23,736	21,323
12 Personnel benefits.....	1,426	1,681	1,531
21 Travel and transportation of persons.....	515	500	450
22 Transportation of things.....	428	350	400
23 Rent, communications, and utilities.....	3,596	2,800	3,000
24 Printing and reproduction.....	170	150	160
25 Other services.....	25,003	20,000	22,000
Services of other agencies.....	50	50	50
Labor contracts with foreign governments ¹	493	430	376
26 Supplies and materials.....	3,399	2,500	3,000
31 Equipment.....	7,312	6,500	7,000
32 Lands and structures.....	163,914	124,905	153,210
43 Interest.....	26	-----	-----
Total direct obligations.....	229,877	183,602	212,500
Reimbursable obligations:			
11 Personnel compensation.....	2,079	1,322	716
12 Personnel benefits.....	93	89	54
21 Travel and transportation of persons.....	25	30	30
25 Other services.....	41	4,559	5,200
32 Lands and structures.....	-----	51,613	-----
Total reimbursable obligations.....	2,238	57,613	6,000
Total, Army.....	232,115	241,215	218,500
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	84	47	20
Positions other than permanent.....	5	8	5
Other personnel compensation.....	4	1	1
Total personnel compensation.....	93	56	26

¹ Average number of persons—1960, 220; 1961, 191; 1962, 167.

MILITARY CONSTRUCTION—Continued**Current authorizations—Continued****MILITARY CONSTRUCTION, ARMY—Continued****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS—Continued			
12 Personnel benefits.....	6	4	1
21 Travel and transportation of persons.....	9	8	7
23 Rent, communications, and utilities.....	2	2	2
25 Other services.....	211	490	3
Services of other agencies.....	18	18	18
32 Lands and structures.....	2,154	6,675	4,443
Total, allocation accounts.....	2,493	7,253	4,500
Total obligations.....	234,608	248,468	223,000
Obligations are distributed as follows:			
Army.....	232,115	241,215	218,500
Office of Civil and Defense Mobilization.....	66	29	
Bureau of Public Roads.....	1,630	6,731	4,500
Atomic Energy Commission.....	208	47	
Bureau of Mines.....	11	6	
Panama Canal.....	578	440	

Personnel Summary

ARMY			
Total number of permanent positions.....	5,282	4,875	3,837
Full-time equivalent of other positions.....	31	24	25
Average number of all employees.....	4,587	4,116	3,631
Number of employees at end of year.....	4,198	3,780	3,528
Average GS grade.....	8.0	7.9	7.5
Average GS salary.....	\$6,481	\$6,880	\$6,658
Average salary of ungraded positions.....	\$5,305	\$5,355	\$5,330
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	14	9	6
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	11	8	5
Number of employees at end of year.....	6	5	3
Average GS grade.....	9.9	9.9	9.9
Average GS salary.....	\$7,590	\$8,159	\$8,159
Average salary of ungraded positions.....	\$5,384	\$5,384	\$5,384

MILITARY CONSTRUCTION, NAVY

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, and facilities for the Navy as currently authorized in military public works or military construction Acts, in sections 2673 and 2675 of title 10, United States Code, 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, **[\$162,519,000]** \$194,000,000. (Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Major construction.....	217,786	161,000	172,200
2. Minor construction.....	2,838	4,000	4,000
3. Planning.....	8,118	10,500	12,300
4. Supporting activities.....	3,083	4,500	3,500
Total direct obligations.....	231,825	180,000	192,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Major construction.....	3,189	13,800	13,800
4. Supporting activities.....	2,226	1,200	1,200
Total reimbursable obligations.....	5,415	15,000	15,000
Total obligations.....	237,240	195,000	207,000
Financing:			
Unobligated balance brought forward.....	-109,685	-88,466	-70,985
Advances and reimbursements from—			
Other accounts.....	-6,613	-12,000	-12,000
Non-Federal sources (69 Stat. 646).....	-1,295	-3,000	-3,000
Recovery of prior year obligations.....	-4,000		
Unobligated balance carried forward.....	88,466	70,985	72,985
New obligational authority (appropriation)	204,112	162,519	194,000

Object Classification (in thousands of dollars)

NAVY			
Personnel compensation:			
Permanent positions.....	15,512	15,488	15,935
Other personnel compensation.....	979	882	806
Total personnel compensation.....	16,491	16,370	16,741
Direct obligations:			
11 Personnel compensation.....	13,902	12,434	12,141
12 Personnel benefits.....	891	886	865
21 Travel and transportation of persons.....	540	534	500
22 Transportation of things.....	588	440	400
23 Rent, communications, and utilities.....	304	439	400
24 Printing and reproduction.....	280	282	250
25 Other services.....	7,817	8,000	8,000
Services of other agencies.....	42	50	50
Private foreign labor contracts ¹	88	36	37
26 Supplies and materials.....	8,040	8,000	8,000
31 Equipment.....	31,953	20,000	20,000
32 Lands and structures.....	165,131	124,372	139,857
Total direct obligations.....	229,576	175,473	190,500
Reimbursable obligations:			
11 Personnel compensation.....	2,589	3,936	4,600
12 Personnel benefits.....	117	198	235
25 Other services.....	358	653	665
32 Lands and structures.....	2,351	10,213	9,500
Total reimbursable obligations.....	5,415	15,000	15,000
Total, Navy.....	234,991	190,473	205,500
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	63	71	56
Positions other than permanent.....	9	9	9
Other personnel compensation.....	2	2	1
Total personnel compensation.....	74	82	66
12 Personnel benefits.....	3	3	2
21 Travel and transportation of persons.....	18	18	18
23 Rent, communications, and utilities.....	6	6	6
25 Other services.....	186	274	13
Services of other agencies.....	41	41	41
26 Supplies and materials.....	1	1	1
32 Lands and structures.....	1,916	4,102	1,353
44 Refunds.....	4		
Total, allocation accounts.....	2,249	4,527	1,500
Total obligations.....	237,240	195,000	207,000
Obligations are distributed as follows:			
Navy.....	234,991	190,473	205,500
Army.....	224	319	
Bureau of Public Roads.....	2,025	4,208	1,500

¹ Average number of persons: 1960, 51; 1961, 18; 1962, 18.

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
NAVY			
Total number of permanent positions.....	2,965	2,814	2,785
Average number of all employees.....	2,810	2,575	2,635
Number of employees at end of year.....	2,696	2,594	2,650
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,881	\$6,437	\$6,460
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	13	13	11
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	14	14	12
Number of employees at end of year.....	8	11	10
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,881	\$6,437	\$6,460

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 currently authorized in military public works or military construction Acts, in sections 2673 and 2675 of title 10, United States Code, the Act of April 1, 1954 (Public Law 325), without regard to section 9774(d) of title 10, United States Code, [and section 3734, Revised Statutes, as amended,] to remain available until expended, [\$609,501,000: *Provided*, That the words "solar furnace" under this head in the Military Construction Appropriation Act, 1959, are amended to read "solar facilities"] \$521,000,000. (*Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Major construction.....	718,642	763,326	600,000
2. Minor construction.....	13,964	16,000	16,000
3. Planning.....	48,048	44,000	33,000
4. Supporting activities.....	17,410	27,000	27,000
5. Reserve forces construction.....	549	674	
Total direct obligations.....	798,613	851,000	676,000
Reimbursable obligations:			
4. Supporting activities.....	3,845	5,000	5,000
Total obligations.....	802,458	856,000	681,000
Financing:			
Unobligated balance brought forward.....	-633,895	-619,114	-377,615
Advances and reimbursements from non-Federal sources (69 Stat. 646).....	-3,845	-5,000	-5,000
Unobligated balance carried forward.....	619,114	377,615	222,615
New obligational authority.....	783,832	609,501	521,000
New obligational authority:			
Appropriation.....	776,832	609,501	521,000
Transferred from "Military construction, Advanced Research Projects Agency, Department of Defense" (5 U.S.C. 172f(a)).....	7,000		
Appropriation (adjusted).....	783,832	609,501	521,000

Object Classification (in thousands of dollars)

AIR FORCE			
	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
25 Other services.....	48,048	44,000	33,000
32 Lands and structures.....	672,644	696,906	550,304
Total direct obligations.....	720,692	740,906	583,304

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
AIR FORCE—Continued			
Reimbursable obligations:			
25 Other services.....	3,845	5,000	5,000
Total, Air Force.....	724,537	745,906	588,304
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	52,519	53,641	46,430
Positions other than permanent.....	429	307	307
Other personnel compensation.....	3,618	3,384	3,180
Total personnel compensation.....	56,566	57,332	49,917
12 Personnel benefits.....	4,722	5,239	4,606
21 Travel and transportation of persons.....	5	5	5
23 Rent, communications, and utilities.....	4	4	4
25 Other services.....	1,208	1,252	1,552
26 Supplies and materials.....	10	10	10
32 Lands and structures.....	15,406	46,252	36,602
Total, allocation accounts.....	77,921	110,094	92,696
Total obligations.....	802,458	856,000	681,000
Obligations are distributed as follows:			
Air Force.....	724,537	745,906	588,304
Army.....	61,263	62,544	54,496
Navy.....	9,588	15,200	15,200
Bureau of Public Roads.....	7,070	32,350	23,000

Personnel Summary

ALLOCATION ACCOUNTS			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	8,819	8,579	7,623
Full-time equivalent of other positions.....	92	59	59
Average number of all employees.....	8,467	8,089	7,263
Number of employees at end of year.....	7,600	8,420	7,407
Average GS grade.....	8.0	7.9	7.5
Average GS salary.....	\$6,481	\$6,880	\$6,658
Average salary of ungraded positions.....	\$5,305	\$5,355	\$5,330

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve, as authorized by chapter 133 of title 10, United States Code, as amended, the Reserve Forces Facilities Acts, and such additional projects as may be authorized by law during the [second] first session of the Eighty-[sixth] seventh Congress, to remain available until expended, [\$16,038,000] \$13,000,000. (*Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Major construction.....	15,176	15,000	17,100
2. Minor construction.....		200	
3. Planning.....	746	800	900
Total direct obligations.....	15,922	16,000	18,000
Reimbursable obligations:			
1. Major construction.....	13		
Total obligations.....	15,935	16,000	18,000

MILITARY CONSTRUCTION—Continued**Current authorizations—Continued****MILITARY CONSTRUCTION, ARMY RESERVE—Continued****Program and Financing (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-5,105	-9,183	-9,221
Advances and reimbursements from other accounts.....	-13		
Unobligated balance carried forward.....	9,183	9,221	4,221
New obligational authority (appropriation)	20,000	16,038	13,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	1,766	1,813	1,796
Positions other than permanent.....	5		
Other personnel compensation.....	45	36	29
Total personnel compensation.....	1,816	1,849	1,825
12 Personnel benefits.....	124	127	125
21 Travel and transportation of persons.....	46	71	54
22 Transportation of things.....	3	4	3
23 Rent, communications, and utilities.....	7	11	8
24 Printing and reproduction.....	14	21	16
25 Other services.....	489	802	577
26 Supplies and materials.....	39	60	45
32 Lands and structures.....	13,384	13,055	15,347
Total direct obligations.....	15,922	16,000	18,000
Reimbursable obligations:			
26 Supplies and materials.....	13		
Total obligations.....	15,935	16,000	18,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	316	309	295
Full-time equivalent of other positions.....	1		
Average number of all employees.....	294	289	285
Number of employees at end of year.....	287	292	289
Average GS grade.....	7.4	7.4	7.4
Average GS salary.....	\$6,043	\$6,443	\$6,467
Average salary of ungraded positions.....	\$4,602	\$4,918	\$4,918

MILITARY CONSTRUCTION, NAVAL RESERVE

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, the Reserve Forces Facilities Acts, and such additional projects as may be authorized by law during the [second] first session of the Eighty-[sixth] seventh Congress, to remain available until expended, [\$4,000,000] \$7,000,000. (Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Major construction.....	8,692	9,200	8,400
2. Minor construction.....	170	300	200
3. Planning.....	274	500	400
Total direct obligations.....	9,137	10,000	9,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations:			
1. Major construction.....	3		
Total obligations.....	9,139	10,000	9,000
Financing:			
Unobligated balance brought forward.....	-9,645	-9,489	-3,489
Advances and reimbursements from non-Federal sources (31 U.S.C. 493a, 495a).....	-3		
Unobligated balance carried forward.....	9,489	3,489	1,489
New obligational authority (appropriation)	8,980	4,000	7,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NAVY			
Direct obligations:			
25 Other services.....	590	966	865
Services of other agencies.....	38	40	40
32 Lands and structures.....	8,187	8,971	8,095
Total direct obligations.....	8,815	9,977	9,000
Reimbursable obligations:			
25 Other services.....	3		
Total, Navy.....	8,818	9,977	9,000
ALLOCATION TO BUREAU OF PUBLIC ROADS			
32 Lands and structures.....	321	23	
Total obligations.....	9,139	10,000	9,000

MILITARY CONSTRUCTION, AIR FORCE RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 133 of title 10, United States Code, as amended, the Reserve Forces Facilities Acts, and such additional projects as may be authorized by law during the [second] first session of the Eighty-[sixth] seventh Congress, to remain available until expended \$4,000,000: Provided, That such portion of the unexpended balance of the appropriation "Military construction, Air Force" as may be determined by the Secretary of Defense to be available for the Air Force Reserve shall be merged with this appropriation. (Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Major construction.....	2,607	4,700	3,700
2. Minor construction.....		150	150
3. Planning.....	31	150	150
Total obligations.....	2,637	5,000	4,000
Financing:			
Unobligated balance brought forward.....		-1,363	-363
Unobligated balance carried forward.....	1,363	363	363
New obligational authority (appropriation)	4,000	4,000	4,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AIR FORCE			
25 Other services.....	31	150	150
32 Lands and structures.....	2,454	3,728	2,738
Total, Air Force.....	2,485	3,878	2,888

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation: Permanent positions.....	28	114	104
12 Personnel benefits.....	2	8	8
25 Other services.....	3	150	50
32 Lands and structures.....	119	950	950
Total, allocation accounts.....	152	1,122	1,112
Total obligations.....	2,637	5,000	4,000
Obligations are distributed as follows:			
Air Force.....	2,485	3,878	2,888
Navy.....	122	1,000	1,000
Army.....	30	122	112

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	15	20	19
Average number of all employees.....	4	19	18
Number of employees at end of year.....	21	19	20
Average GS grade.....	8.0	7.9	7.5
Average GS salary.....	\$6,481	\$6,880	\$6,658

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, the Reserve Forces Facilities Acts, and such additional projects as may be authorized by law during the [second] first session of the Eighty-[sixth] seventh Congress, to remain available until expended, [\$17,540,000: Provided, That such portion of the unexpended balance of the appropriation "Military Construction, Army Reserve Forces" as may be determined by the Secretary of Defense to be available for the Army National Guard shall be merged with this appropriation] \$12,000,000. (Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Major construction:			
(a) Armory.....	15,245	16,000	14,300
(b) Nonarmory.....	916	3,000	2,800
2. Minor construction.....		300	300
3. Planning.....	468	700	600
Total obligations (object class 32).....	16,629	20,000	18,000
Financing:			
Unobligated balance brought forward.....	-6,961	-13,551	-11,091
Unobligated balance carried forward.....	13,551	11,091	5,091
New obligational authority (appropriation).....	23,219	17,540	12,000

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 133 of title 10, United States Code, as amended, the Reserve Forces Facilities Acts, and such additional projects as may be authorized by law during the [second] first session of the Eighty-[sixth] seventh Congress, to remain available until expended, [\$13,850,000: Provided, 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 construction may be merged with this appropriation] \$14,000,000. (Military Construction Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Major construction.....	10,909	14,400	13,600
2. Minor construction.....	49	700	500
3. Planning.....	496	900	900
Total obligations.....	11,454	16,000	15,000
Financing:			
Unobligated balance brought forward.....		-5,030	-2,880
Restoration of prior year balance (70 Stat. 648).....	-44		
Unobligated balance carried forward.....	5,030	2,880	1,880
New obligational authority (appropriation).....	16,440	13,850	14,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
AIR FORCE			
25 Other services.....	496	900	900
32 Lands and structures.....	9,164	13,356	10,284
Total, Air Force.....	9,660	14,256	11,184
ALLOCATION ACCOUNTS			
11 Personnel compensation: Permanent positions.....	694	793	761
12 Personnel benefits.....	50	57	55
25 Other services.....	32	94	150
32 Lands and structures.....	1,018	800	2,850
Total, allocation accounts.....	1,794	1,744	3,816
Total obligations.....	11,454	16,000	15,000
Obligations are distributed as follows:			
Air Force.....	9,660	14,256	11,184
Navy.....	1,050	894	3,000
Army.....	744	850	816

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	105	121	117
Average number of all employees.....	102	117	113
Number of employees at end of year.....	107	121	116
Average GS grade.....	8.0	7.9	7.5
Average GS salary.....	\$6,481	\$6,880	\$6,658

LORAN STATIONS, DEPARTMENT OF DEFENSE

For construction of additional Loran stations by the Coast Guard, to remain available until expended, [\$19,000,000] \$10,000,000, which shall be transferred on approval of the Secretary of Defense to the appropriation, "Acquisition, construction, and improvements", Coast Guard. (Military Construction Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction (total obligations) (object class 25).....	23,200	19,000	10,000
Financing:			
New obligational authority (appropriation).....	23,200	19,000	10,000

MILITARY CONSTRUCTION—Continued**Current authorizations—Continued**

LORAN STATIONS, DEPARTMENT OF DEFENSE—Continued

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.

【MILITARY CONSTRUCTION】

【For construction as authorized by title IV of the Act of June 8, 1960 (Public Law 86-500), to remain available until expended, not to exceed \$20,000,000, to be derived by transfer from funds available to the Office of the Secretary of Defense for advanced research projects.】 (*Military Construction Appropriation Act, 1961.*)

MILITARY CONSTRUCTION, ADVANCED RESEARCH PROJECTS AGENCY,
DEPARTMENT OF DEFENSE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction (total obligations) (object class 30).....	8,094	19,363	
Financing:			
Comparative transfers to other accounts.....	5,056		
Unobligated balance brought forward.....	-15,968	-19,363	
Unobligated balance carried forward.....	19,363		
New obligational authority.....	16,545		
New obligational authority:			
Appropriation.....	23,545		
Transferred to "Military construction, Air Force" (5 U.S.C. 172f(a)).....	-7,000		
Appropriation (adjusted).....	16,545		

This program provides for construction of installations and facilities required for advanced research projects as authorized by title IV of the act of August 20, 1958 (Public Law 85-685), as amended, and title IV of the act of June 8, 1960 (Public Law 86-500).

The Military Construction Appropriation Act, 1960 (Public Law 86-275), provided \$23.5 million for construction of advanced research projects. \$7 million of the 1960 appropriation was transferred to "Military construction, Air Force."

The Military Construction Appropriation Act, 1961 (Public Law 86-630), provided that an additional \$20 million could be derived by transfer and made available for construction of advanced research projects.

CONSTRUCTION, ALASKA COMMUNICATION SYSTEM

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction of buildings, quarters and utilities (total obligations).....	157	21	
Financing:			
Unobligated balance brought forward.....	-615	-458	-437
Unobligated balance carried forward.....	458	437	437
New obligational authority (appropriation).....			

The Alaska Communication System provides telegraph and long distance telephone communications within Alaska and between Alaska and other States for the Department of Defense, other Government agencies, and the general public. Although legislation to authorize the sale of the System is to be proposed to the Congress, its disposition is not anticipated until after 1962. This account provides for the construction of buildings for the System.

Object classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	1		
32 Lands and structures.....	156	21	
Total obligations.....	157	21	

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Military Family Housing

Program and Financing (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Military family housing and community facilities:			
Austria.....	1,447	25	
Finland.....	41		
Italy.....	1,251	583	
Korea.....	735	20	
Pakistan.....	657	203	
Portugal (Azores).....	1,418	90	
Spain.....	3,495	1,033	
Turkey.....	893	417	
United Kingdom.....	102		
Total obligations (object class 32).....	10,039	2,371	
Financing:			
Unobligated balance brought forward.....	-23,085	-3,638	
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	1,814		
Adjustment of prior year obligations.....	-928		
Unobligated balance carried forward.....	3,638		
Unobligated balance lapsing.....	12,470	1,267	
Authorization to expend foreign currency receipts pursuant to 68 Stat. 1125, as amended.....	3,948		

STATEMENT OF FINANCING (IN THOUSANDS OF DOLLARS)

	Foreign currencies (dollar equivalent)			Related support costs provided from military construction appropriations			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Amounts applied on construction:									
Beginning of period.....	89,634	112,118	132,678	5,304	7,214	8,560	94,938	119,332	141,238
During period.....	22,484	20,560	9,811	1,910	1,346	-----	24,394	21,906	9,811
Balance, end of period.....	112,118	132,678	142,489	7,214	8,560	8,560	119,332	141,238	151,049

¹ Includes following amounts derived from barter transactions for facilities in France for which Army is executive agent: 1959 and prior years, \$43,010 thousand; 1960, \$5,930 thousand; 1961, \$1,060 thousand.

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. Beginning in 1961, a policy was adopted to purchase all currencies required to construct or acquire such facilities with dollar appropriations restricted solely to such purchases.

Operating results.—The accompanying schedules indicate the indebtedness of the Department to the Commodity Credit Corporation and costs realized and anticipated through 1962 for the construction of housing and community facilities projects in foreign countries for use by Defense personnel.

DEBT RETIREMENT AND EXPENSE (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Debt retirement: Payment to Commodity Credit Corporation.....	5,596	6,458	7,040
Expense: Operation and maintenance.....	4,755	5,849	6,509
Total amounts paid from military personnel appropriations.....	10,351	12,307	13,549

STATEMENT OF INDEBTEDNESS (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Amounts due Commodity Credit Corporation:			
Unpaid balance, start of year.....	85,771	102,659	116,761
Additional amounts applied on construction.....	22,484	20,560	9,811
Total amounts due.....	108,255	123,219	126,572
Payment to Commodity Credit Corporation ¹	—5,596	—6,458	—7,040
Balance due Commodity Credit Corporation.....	102,659	116,761	119,532

¹ Includes payments in Defense accounts not taken up in Commodity Credit Corporation accounts at close of year as follows: 1959, \$1,087 thousand; 1960, \$3,122 thousand; 1961, \$4,000 thousand; 1962, \$4,500 thousand.

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	34,786	26,940	9,811
Adjustment of prior obligations.....	—928	-----	-----
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	—403	-----	-----
Obligations incurred during year.....	10,039	2,371	-----
Obligated balance carried forward.....	—26,940	—9,811	-----
Expenditures.....	16,554	19,500	9,811

Status of Unfunded Allocations (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	42,500	604	-----
Adjustments due to changes in exchange rates to permit conversion to dollar equivalents.....	—4,006	-----	-----
Allocations.....	3,948	-----	-----
Unfunded balance carried forward.....	—604	-----	-----
Unobligated balance lapsing:			
Funded.....	-----	—5,256	-----
Unfunded.....	—5,034	-----	-----
Net transfers into or from (—) Department of Defense accounts.....	36,804	—4,652	-----

CAPEHART HOUSING

The Secretary of Defense is authorized under title VIII of the National Housing Act (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. The Federal Housing Administration is authorized to insure such mortgages through the Armed Services Housing Mortgage Insurance Fund established for this purpose, for which insurance premiums are charged at the rate of $\frac{1}{4}$ of 1% per annum on the outstanding principal obligations of the mortgages. The authority to insure such mortgages expires October 1, 1961, except pursuant to a commitment to insure issued before this date (73 Stat. 682).

Mortgage funds are provided primarily through private investment; however, the Federal National Mortgage Association has provided a limited amount of funds under a special assistance fund authorization. The mortgages have a maturity date not to exceed 30 years and bear interest at a rate not to exceed $4\frac{1}{2}$ % per annum. No mortgage may involve a principal obligation which exceeds the least 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 of the bids submitted by eligible bidders seeking award of the construction contract.

MILITARY CONSTRUCTION—Continued

Current authorizations—Continued

CAPEHART HOUSING—Continued

Mortgage payments which provide for the reduction of the principal obligation, for interest expense, and for mortgage insurance premiums, are made from the appropriations for military pay and allowances. The amounts required for this purpose are included in the budget schedules for these appropriations. 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 these projects. Expenditures incurred for this purpose may not exceed an average of \$1,500 per unit in any housing project nor more than an average of \$1,000 per unit in respect of all housing projects for which appropriations are made under this authorization. Costs incurred for architectural and engineering contracts and for inspec-

tion of construction are reimbursable from mortgage proceeds.

In accordance with 73 Stat. 323, mortgage proceeds may no longer be used to pay the costs of title search and title insurance. Where a military guarantee of title can be utilized, the cost of obtaining a title search to support such a guarantee is authorized (40 U.S.C. 255) to be paid from funds appropriated for military construction. Where a determination is made that necessary financing cannot be obtained unless commercial title insurance is provided, the cost of such insurance must be paid (73 Stat. 323) from the Wherry revolving fund (70 Stat. 1112).

Operating results.—The following schedule indicates the mortgage indebtedness and costs realized and anticipated through 1962 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

[In thousands of dollars]

	Mortgages, amounts assumed			Related support costs provided from military construction appropriations			Total		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Property acquired:									
Beginning of period.....	529,128	948,924	1,343,269	31,038	48,349	68,864	560,166	997,273	1,412,133
During period.....	419,796	394,345	306,086	17,311	20,515	16,197	437,107	414,860	322,283
Balance, end of period.....	948,924	1,343,269	1,649,355	48,349	68,864	85,061	997,273	1,412,133	1,734,416

Number of housing units acquired at the end of 1959, 34,845; 1960, 60,605; 1961, 85,017; 1962, 103,733.

Note.—Statement of property acquired and financing excludes actual contingent liability for contracts awarded but not completed as of 1960, \$460,738 thousand. Similar liability estimated as of 1961, \$323,400 thousand, and 1962, \$97,696 thousand.

DEBT RETIREMENT AND EXPENSE

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Debt retirement: Mortgage payments, principal.....	18,401	30,895	37,113
Expense:			
Mortgage payments, interest.....	32,289	51,947	59,733
Mortgage insurance.....	3,388	3,170	3,506
Other expenses.....	12	20	23
Total expense.....	35,689	55,137	63,262
Total amounts paid from military personnel appropriations.....	54,090	86,032	100,375

STATEMENT OF INDEBTEDNESS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Mortgage indebtedness:			
Beginning of period.....	1,521,994	923,389	1,286,839
Mortgages executed during period.....	419,796	394,345	306,086
Subtotal.....	941,790	1,317,734	1,592,925
Payments applied to reduce principal....	18,401	30,895	37,113
Mortgage indebtedness, end of period....	923,389	1,286,839	1,555,812
¹ Total mortgages assumed, beginning of period.....	529,128		
Payments made in prior years to reduce principal.....	7,134		
Mortgage indebtedness, beginning of period.....	521,994		

OVERSEAS RENTAL GUARANTEE 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 guarantee 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 guarantees 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 guarantee 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. In 1960, the guarantee on 410 units in France expired and in 1962 the guarantee on 484 units in France will expire.

Operating results.—The following schedules indicate the extent to which the rental guarantee authority has been used and the estimated reduction of the Government's contingent liability under these guarantees through 1962.

SCHEDULE OF RENTALS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Schedule of rentals under contracts, beginning of year.....	47,125	43,548	40,892
Contracts canceled or expired during year....	-3,577	-2,656	-3,195
Schedule of rentals under contracts, end of year ¹	43,548	40,892	37,697

¹ Number of units, end of year: 1960, 4,996; 1961, 4,696; 1962, 4,212.

STATEMENT OF CONTINGENT LIABILITY

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Balance of contingent liability, beginning of year.....	25,675	18,919	12,929
Reduction of contingent liability:			
Rentals paid ¹	6,208	4,790	3,944
Losses paid by Government ²	548	1,200	-----
Paid during year.....	6,756	5,990	3,944
Balance of contingent liability, end of year..	18,919	12,929	8,985

¹ Payments made in prior years, \$19,093 thousand.² To be paid from the appropriation "Military construction, Air Force," to honor guaranties on 2 projects abandoned due to redeployment of personnel.

REVOLVING AND MANAGEMENT FUNDS

Public enterprise funds:

ACQUISITION, REHABILITATION, AND RENTAL OF WHERRY ACT HOUSING

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Interest expense (paid to mortgagees)....	17,527	20,000	21,700
2. Mortgage insurance payments.....	2,269	2,600	2,800
3. Other project expense.....	469	700	1,000
4. Capehart title insurance premiums.....	61	1,000	1,000
Total operating costs.....	20,326	24,300	26,500
Capital outlay:			
5. Acquisition of housing:			
(a) Mortgages assumed.....	39,430	51,400	36,400
(b) Value of sponsors' equity.....	13,675	18,700	20,800
(c) Other acquisition costs.....	2,174	2,700	2,400
6. Alterations, improvements, rehabilitation, and repairs.....	35,845	44,000	30,000
Total capital outlay.....	91,124	116,800	89,600
Deduct costs included above financed by assumption of mortgage indebtedness and sponsors' equity.....	33,102	41,100	23,100
Total capital outlay, funded.....	58,022	75,700	66,500
Total program costs, funded.....	78,348	100,000	93,000
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	11,119	10,000	7,000
Total obligations.....	89,466	110,000	100,000
Financing:			
Amounts becoming available:			
New obligational authority (reappropriation from other Department of Defense accounts (70 Stat. 1112)).....	30,000	30,000	20,000
Receipts from operations (rentals).....	57,676	60,000	65,000
Total amounts becoming available.....	87,676	90,000	85,000
Unobligated balance brought forward.....	103,254	101,464	81,464
Total amounts available.....	190,930	191,464	166,464
Unobligated balance carried forward.....	-101,464	-81,464	-66,464
Financing applied to program.....	89,466	110,000	100,000

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. 1111-12).

Budget program.—The budget program contemplates acquisition of about 76,300 units of Wherry family housing by the end of 1962, at a total cost of \$732.5 million, which includes 6,800 units in 1961 and 4,300 units in 1962. 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. There is also provided approximately \$7 million in 1961 and \$12 million in 1962 representing additional costs required to satisfy sponsors' equities in cases pending litigation.

Through 1962 it is planned to rehabilitate approximately 70,000 of the acquired units. Funds provided in the budget program for this purpose are as follows: 1961, \$44 million; 1962, \$30 million.

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 \$20 million is estimated in 1962 pursuant to the authority in section 512 of the Housing Act of 1956. Income from quarters allowances and rentals is expected to increase from an estimated \$60 million in 1961 to approximately \$65 million in 1962.

Operating results and financial condition.—Net budget expenditures of \$30 million are expected in 1961 and \$35 million in 1962 since outlays for acquisition of sponsors' equities, mortgage payments, rehabilitation, and other costs will substantially exceed the amounts available from quarters allowances and rentals. In addition, there is included in both 1961 and 1962 an estimate of \$1 million for Capehart mortgage insurance, pursuant to section 415, Public Law 86-149 (70 Stat. 1111). Operating income is expected to exceed operating expenses paid from the fund by an estimated \$35.7 million in 1961 and \$38.5 million in 1962. This income is available for financing the acquisition and rehabilitation of additional units as well as for payments of operating expenses. The schedules do not reflect depreciation or operation and maintenance costs. Government investment is estimated at \$422 million at June 30, 1962, consisting of \$267 million in reappropriations and \$155 million in retained earnings.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$29,228 thousand; 1960, \$40,347 thousand; 1961, \$50,347 thousand; 1962, \$57,347 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	20,326	24,300	26,500
Capital outlay.....	58,022	75,700	66,500
Increase in selected working capital.....	2,124	-----	7,000
Total gross expenditures.....	80,472	100,000	100,000
Receipts from operations (funds provided):			
Revenue.....	57,676	60,000	65,000
Decrease in selected working capital.....	-----	10,000	-----
Total receipts from operations.....	57,676	70,000	65,000
Budget expenditures.....	22,796	30,000	35,000

REVOLVING AND MANAGEMENT FUNDS—Con.

Public enterprise funds—Continued

ACQUISITION, REHABILITATION, AND RENTAL OF WHERRY ACT HOUSING—Continued

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	57,676	60,000	65,000
Expense.....	20,326	24,300	26,500
Net income for the year.....	37,350	35,700	38,500
Retained earnings, beginning of year.....	43,490	80,840	116,540
Retained earnings, end of year.....	80,840	116,540	155,040

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	139,103	139,103	124,103
Accounts receivable, net.....	4,624	4,624	4,624
Land, structures, and equipment:			
Acquisition cost.....	572,890	657,690	732,490
Alterations, improvements, rehabilitation, and repair.....	53,822	97,822	127,822
Total assets.....	770,439	899,239	989,039
Liabilities:			
Current liabilities.....	1,917	11,917	4,917
Mortgages and equities.....	470,682	523,781	562,081
Total liabilities.....	472,599	535,698	566,998
Government investment:			
Non-interest-bearing capital:			
Start of year.....	187,000	217,000	247,000
Reappropriation during year.....	30,000	30,000	20,000
End of year.....	217,000	247,000	267,000
Retained earnings.....	80,840	116,540	155,040
Total Government investment.....	297,840	363,540	422,040

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	131,899	139,103	139,103	124,103
Obligated balance, net:				
Current liabilities.....	3,442	1,917	11,917	4,917
Unpaid undelivered orders.....	29,228	40,347	50,347	57,347
Accounts receivable, net (-).....	-4,025	-4,624	-4,624	-4,624
Total obligated balance.....	28,645	37,640	57,640	57,640
Unobligated balance.....	103,254	101,464	81,464	66,464

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	2,799	4,300	4,800
32 Lands and structures.....	58,022	75,700	66,500
43 Interest.....	17,527	20,000	21,700
Total costs.....	78,348	100,000	93,000
Increase in unpaid undelivered orders.....	11,118	10,000	7,000
Total obligations.....	89,466	110,000	100,000

DEFENSE HOUSING, ARMY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operation and maintenance of housing (total costs—obligations).....	505	460	430
Financing:			
Amounts becoming available: Rental receipts.....	657	630	600
Unobligated balance brought forward.....	372	73	43
Total amounts available.....	1,029	703	643
Capital transfer (payment of earnings to Treasury) (-).....	-450	-200	-150
Unobligated balance carried forward.....	-73	-43	-63
Financing applied to program.....	505	460	430

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units (70 Stat. 1105). Funds are provided by rental receipts. The number of housing units available under this program is as follows:

	1960 actual	1961 estimate	1962 estimate
Available units, beginning of year.....	1,758	1,561	1,487
Units disposed of during year.....	197	74	50
Units available, end of year.....	1,561	1,487	1,437
Average number of units rented during year.....	1,440	1,381	1,381
Average monthly rental.....	\$38.00	\$38.00	\$38.00
Average monthly operating cost.....	\$27.75	\$27.75	\$27.75

The 50 units planned for disposal in 1962 are at Fort Stewart, Ga. The remaining 208 units at Fort Stewart are expected to be disposed of in 1963 and 1964. These units have been replaced by Capehart housing. The remaining units to be kept in operation are located at Fort Carson, Colo.; Fort Leonard Wood, Mo.; Camp Irwin, Calif.; and at the Navajo Ordnance Depot, Ariz. In 1960, \$450 thousand, which was surplus to operational requirements of the fund, was returned to the Treasury. It is anticipated that an additional \$200 thousand in 1961 and \$150 thousand in 1962 will become surplus to requirements and will be available for payment to the Treasury.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	505	460	430
Increase in selected working capital.....	14		
Total gross expenditures.....	519	460	430
Receipts from operations (funds provided):			
Revenue.....	657	630	600
Budget expenditures.....	-137	-170	-170

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	657	630	600
Expense.....	505	460	430
Net income for the year.....	151	170	170
Analysis of retained earnings:			
Retained earnings, beginning of year.....	372	73	43
Payment of earnings to Treasury (-).....	-450	-200	-150
Retained earnings, end of year.....	73	43	63

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	117	87	107
Accounts receivable, net.....	59	64	66
Total assets.....	175	150	173
Liabilities:			
Current.....	102	107	110
Government investment:			
Retained earnings.....	73	43	63

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	430	117	87	107
Obligated balance, net:				
Current liabilities.....	105	102	107	110
Accounts receivable, net (—).....	—48	—59	—64	—66
Total obligated balance.....	58	44	44	44
Unobligated balance.....	372	73	43	63

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	127	82	52
Other personnel compensation.....	1		
Total personnel compensation.....	128	82	52
12 Personnel benefits.....	14	8	5
23 Rent, communications, and utilities.....	10	10	10
25 Other services.....	184	190	200
26 Supplies and materials.....	169	170	163
Total obligations.....	505	460	430

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	23	16	11
Average number of all employees.....	23	16	10
Number of employees at end of year.....	3	10	10
Average salary of ungraded positions.....	\$5,565	\$5,125	\$5,200

DEFENSE HOUSING, NAVY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operation and maintenance of housing (total program costs).....	1,128	1,131	1,100
Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—39		
Total obligations.....	1,089	1,131	1,100
Financing:			
Amounts becoming available:			
Rental receipts.....	1,376	1,300	1,285
Unobligated balance brought forward.....	248	385	254
Total amounts available.....	1,624	1,685	1,539

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Capital transfer (payment of earnings to Treasury) (—).....	—150	—300	—200
Unobligated balance carried forward.....	—385	—254	—239
Financing applied to program.....	1,089	1,131	1,100

This fund finances the maintenance, operation, improvement, and liquidation of temporary family housing units (70 Stat. 1105). Funds are provided by rental receipts. The number of housing units available under this program is as follows:

	1960 actual	1961 estimate	1962 estimate
Available units, beginning of year.....	3,900	3,817	3,551
Units disposed of during year.....	83	266	100
Units available, end of year.....	3,817	3,551	3,451
Average number of units rented during year.....	3,750	3,450	3,350
Average monthly rental.....	\$30.58	\$31.40	\$31.97
Average monthly operating cost.....	\$23.78	\$26.54	\$26.55

Disposal of units uneconomical to maintain is being accomplished as rapidly as housing needs can be met otherwise. These housing units, most of which are trailers, are located on or nearby 15 Navy and Marine Corps installations. In 1960, the sum of \$150 thousand which was surplus to operational requirements of the fund was returned to the Treasury. It is anticipated that an additional \$300 thousand in 1961 and \$200 thousand in 1962 will become surplus to requirements and will be available for payment to the Treasury.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders as follows: 1959, \$178 thousand; 1960, \$139 thousand; 1961, \$139 thousand; 1962, \$139 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	1,128	1,131	1,100
Receipts from operations (funds provided):			
Revenue.....	1,376	1,300	1,285
Budget expenditures.....	—248	—169	—185

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	1,376	1,300	1,285
Expense.....	1,128	1,131	1,100
Net income for the year.....	248	169	185
Analysis of retained earnings:			
Retained earnings, beginning of year.....	426	524	393
Payment of earnings to Treasury (—).....	—150	—300	—200
Retained earnings, end of year.....	524	393	378

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	524	393	378
Government investment:			
Retained earnings.....	524	393	378

REVOLVING AND MANAGEMENT FUNDS—Con.

Public enterprise funds—Continued

DEFENSE HOUSING, NAVY—Continued

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	426	524	393	378
Obligated balance, net: Unpaid undelivered orders.....	178	139	139	139
Unobligated balance.....	248	385	254	239

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	586	622	606
Other personnel compensation.....	7	5	3
Total personnel compensation.....	593	627	609
12 Personnel benefits.....	21	22	21
22 Transportation of things.....	4	4	4
23 Rent, communications, and utilities.....	32	32	32
24 Printing and reproduction.....	2	2	2
25 Other services.....	234	207	205
26 Supplies and materials.....	201	200	190
31 Equipment.....	41	37	37
Total costs.....	1,128	1,131	1,100
Costs financed from obligations of other years, net (-).....	-39		
Total obligations.....	1,089	1,131	1,100

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	115	121	114
Average number of all employees.....	113	119	113
Number of employees at end of year.....	115	121	109
Average GS grade.....	5.2	5.2	5.2
Average GS salary.....	\$4,765	\$5,120	\$5,120
Average salary of ungraded positions.....	\$5,210	\$5,235	\$5,235

LAUNDRY SERVICE, NAVAL ACADEMY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
Expense.....	542	587	598
Unfunded adjustment to total operating costs: Depreciation included above (-).....	-13	-15	-17
Total operating costs, funded.....	529	572	581
Capital outlay: Purchase of equipment.....	42	40	25
Total program costs, funded.....	571	612	606
Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1		
Total obligations.....	572	612	606
Financing:			
Amounts becoming available: Revenue.....	563	590	600
Unobligated balance brought forward.....	41	31	9
Total amounts available.....	604	621	609
Unobligated balance carried forward.....	-31	-9	-3
Financing applied to program.....	572	612	606

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Supplies.....	11	13	13	13
Unpaid undelivered orders.....	6	5	5	5
Total selected resources at end of year.....	17	18	18	18
Selected resources at start of year (-).....		-17	-18	-18
Obligations incurred for costs of other years, net.....		1		

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	42	40	25
Expense.....	529	572	581
Total gross expenditures.....	571	612	606
Receipts from operations (funds provided):			
Revenue.....	563	590	600
Decrease in selected working capital.....	40		
Total receipts from operations.....	603	590	600
Budget expenditures.....	-31	22	6

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	563	590	600
Expense.....	542	587	598
Net income for the year.....	21	3	2
Retained earnings, beginning of year.....	175	195	198
Retained earnings, end of year.....	195	198	200

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	103	81	75
Accounts receivable, net.....	7	7	7
Inventory of supplies.....	13	13	13
Equipment, net.....	149	174	182
Total assets.....	271	274	277
Liabilities:			
Current.....	74	74	74
Government investment:			
Non-interest-bearing capital: Start and end of year.....	3	3	3
Retained earnings.....	195	198	200
Total Government investment.....	198	201	203

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	72	103	81	75
Obligated balance, net:				
Current liabilities.....	33	74	74	74
Unpaid undelivered orders.....	6	5	5	5
Accounts receivable, net (-).....	-8	-7	-7	-7
Total obligated balance.....	31	72	72	72
Unobligated balance.....	41	31	9	3

Object Classification (in thousands of dollars)				Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:				Financing—Continued			
Permanent positions.....	385	423	427	Unobligated balance transferred to "Military personnel, Army" (73 Stat. 366, 74 Stat. 338; 1962 appropriation act).....	-281,000	-260,000	-125,000
Other personnel compensation.....	19	22	20	Unobligated balance carried forward.....	-589,077	-527,381	-500,703
Add excess of annual leave earned over leave taken.....	-5			Financing applied to program.....	2,052,685	2,207,755	2,302,028
Total personnel compensation.....	409	445	447				
12 Personnel benefits.....	28	34	37				
23 Rent, communications, and utilities.....	36	39	40				
24 Printing and reproduction.....	1	1	1				
25 Other services.....	2	5	5				
26 Supplies and materials.....	54	48	51				
31 Equipment.....	42	40	25				
Total obligations.....	572	612	606				

Personnel Summary

Total number of permanent positions.....	151	151	151
Average number of all employees.....	139	145	145
Number of employees at end of year.....	136	138	138
Average GS grade.....	5.5	5.5	5.5
Average GS salary.....	\$4,888	\$4,903	\$4,927
Average salary of ungraded positions.....	\$2,693	\$2,781	\$2,781

Intragovernmental funds:

ARMY STOCK FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Army clothing and equipage.....	108,595	134,064	127,346
Army subsistence.....	519,972	544,296	533,175
Engineer supplies.....	76,062	83,153	73,653
General material.....	94,154	93,552	91,689
Medical-dental supplies.....	28,554	27,245	27,354
Ordnance tank-automotive supplies.....	129,794	146,795	163,059
Other ordnance supplies.....	59,287	67,491	68,600
Petroleum products.....	116,893	114,890	115,004
Signal supplies.....	81,705	100,771	89,571
Single manager clothing and textiles.....	165,038	200,000	200,000
Single manager subsistence.....	672,631	662,398	688,677
Single manager general supplies.....		33,100	123,900
Total obligations.....	2,052,685	2,207,755	2,302,028
Financing:			
Sale of goods:			
Army clothing and equipage.....	122,140	130,800	123,501
Army subsistence.....	521,797	526,711	531,007
Engineer supplies.....	87,898	80,860	84,168
General material.....	110,351	104,428	101,504
Medical-dental supplies.....	24,960	25,253	30,096
Ordnance tank-automotive supplies.....	177,782	199,330	218,239
Other ordnance supplies.....	92,553	93,222	89,517
Petroleum products.....	112,318	109,166	109,040
Signal supplies.....	90,664	96,729	97,930
Single manager clothing and textiles.....	332,972	316,559	327,632
Single manager subsistence.....	683,602	686,341	688,677
Single manager general supplies.....		47,800	137,700
Total sale of goods.....	2,357,037	2,417,199	2,539,011
Increase or decrease (—) in unfilled customer orders:			
Military assistance orders.....	11,800	6,600	-137,900
Other.....	-46,811	-89	-761
Adjustment of prior year revenue.....	-24,600	-17,650	
Total amounts becoming available.....	2,297,426	2,406,060	2,400,350
Unobligated balance brought forward.....	625,335	589,077	527,381
Total amounts available.....	2,922,761	2,995,137	2,927,731

This fund finances inventories of consumable supplies, minor items of equipment, and repair parts throughout the Army depot supply system and at certain stations in the continental United States, and in depots of the major overseas commands. Material is purchased and held at these locations for resale and for mobilization reserve (5 U.S.C. 172d).

Supply and financial operations of the fund are centrally directed and controlled by the Department of the Army. In the financial statements the 570,000 items under the fund, about 85% of the total Army items, are classified into 12 material categories, which are managed through the Army's seven technical services and the defense supply service. Beginning in 1960, stock fund operations at nine stations in the 3d Army area are being managed through the U.S. Continental Army Command and the 3d Army headquarters. Among the 12 material categories are three single manager assignments giving the Army responsibility for continental U.S. depot inventories of clothing, subsistence, and general supplies for all the military services. Sales of single manager owned stocks are made either to military service retail stock funds which hold station and overseas theater inventories for resale to consuming appropriations or are made directly to consumer appropriations.

No significant changes were made in 1960 in the types of material or geographic areas covered by the fund. A substantial reduction in the number of line items in the fund was made through improved cataloging, standardization, and elimination of obsolete items. During 1960 three new single manager assignments were made to the Army. The single manager for general supplies is beginning operations during 1961. The budget statements do not reflect program data for the single managers for automotive supplies and for construction supplies because they will not begin supply operations until late in 1962. Further plans now under consideration, but not reflected in the budget, include (1) the possible capitalization of selected items currently procured from operating appropriations such as repair parts for aircraft and guided missiles, (2) the transfer from the stock fund of selected high dollar value items of equipment and major component parts, and (3) the extension of the stock fund to the remaining major stations in the United States.

The net change in capitalized inventories of \$121 million during 1960 was due principally to material returns from customers of \$138 million, offset by a decrease of \$17 million due to other adjustments. The net change projected for 1961 is an increase of \$229 million. Of this amount \$107 million reflects the transfers from other military services to the single manager for general supplies, \$110 million represents returns from customers, and the remaining \$12 million reflects miscellaneous adjustments. The change of \$95 million during 1962 reflects anticipated returns from customers of \$83 million and \$12 million of transfers between the military services and other adjust-

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

ARMY STOCK FUND—Continued

ments. Changes by category are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Army clothing and equipage.....	-4,041	2,922	452
Army subsistence.....	-238		
Engineer supplies.....	6,365	784	4,016
General material.....	27,283	-63,146	9,704
Medical-dental supplies.....	2,121	581	689
Ordnance tank-automotive supplies.....	55,084	49,761	41,973
Other ordnance supplies.....	20,231	16,641	14,473
Petroleum products.....	-7,005	-3,036	311
Signal supplies.....	14,807	9,818	9,991
Single manager clothing and textiles.....	1,765	7,560	3,400
Single manager subsistence.....	12		
Single manager general supplies.....		207,290	10,000
Total inventories capitalized during year (net of decapitalizations).....	116,384	229,175	95,009
Decrease (-) in undelivered purchases to be paid from other accounts.....	-161		
Sales return credits canceled.....	4,835	272	
Net change in capitalized inventories.....	121,058	229,447	95,009

Budget programs.—Obligations of \$2,053 million in 1960 are estimated to increase to \$2,302 million in 1962, an increase of \$249 million. Total obligations include procurement for the highest priority mobilization reserves of \$35 million in 1960 and \$40 million in both 1961 and 1962. Of the total increased obligations \$124 million is for the new single manager for general supplies. The other increases reflect increased procurement requirements to meet sales due to the steady attrition of long-supply stocks which can be sold without replacement. Continued emphasis on maximum utilization of long-supply stocks and on conservative procurement of material in relation to sales requirements has limited obligations for peacetime stock to 85.6% of sales in 1960 and an estimate of approximately 89% in 1961 and 1962. The budget program provides for year-end inventories as follows (in millions of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Army clothing and equipage:				
Operating stocks.....	43.3	42.5	32.7	30.0
Mobilization reserve stocks.....	60.3	55.4	63.2	71.3
Excess or surplus stocks awaiting disposal.....	21.2	7.4	4.2	3.4
Army subsistence:				
Operating stocks.....	91.7	89.4	88.2	89.3
Mobilization reserve stocks.....	24.5	24.3	25.9	26.9
Engineer supplies:				
Operating stocks.....	222.1	174.0	129.0	96.4
Mobilization reserve stocks.....	164.0	150.5	150.3	156.0
Excess or surplus stocks awaiting disposal.....	65.8	41.8	39.4	16.7
General material:				
Operating stocks.....	157.4	119.3	64.2	51.4
Mobilization reserve stocks.....	151.6	158.4	140.7	147.7
Excess or surplus stocks awaiting disposal.....	36.5	32.4	20.4	11.4
Medical-dental supplies:				
Operating stocks.....	13.0	9.5	8.4	8.7
Mobilization reserve stocks.....	26.9	30.1	35.5	34.3
Excess or surplus stocks awaiting disposal.....	1.5	2.7	1.4	1.1
Ordnance tank-automotive supplies:				
Operating stocks.....	1,170.1	1,076.2	711.6	407.4
Mobilization reserve stocks.....	111.4	105.9	112.3	120.1
Excess or surplus stocks awaiting disposal.....	79.1	63.5	100.5	100.5

	1959 actual	1960 actual	1961 estimate	1962 estimate
Other ordnance supplies:				
Operating stocks.....	575.6	543.6	349.9	244.7
Mobilization reserve stocks.....	76.3	74.6	85.4	92.6
Excess or surplus stocks awaiting disposal.....	44.3	37.3	38.9	21.8
Petroleum products:				
Operating stocks.....	44.0	35.9	33.6	29.8
Mobilization reserve stocks.....	61.9	60.8	69.2	79.2
Excess or surplus stocks awaiting disposal.....	.1	.1	.2	.1
Signal supplies:				
Operating stocks.....	241.9	172.8	147.5	128.2
Mobilization reserve stocks.....	67.5	82.3	88.6	96.3
Excess or surplus stocks awaiting disposal.....	41.4	46.2	28.0	20.0
Single manager clothing and textiles:				
Operating stocks.....	692.1	608.6	472.2	362.1
Mobilization reserve stocks.....	973.6	769.1	776.5	758.5
Excess or surplus stocks awaiting disposal.....	160.7	114.4	76.4	54.7
Single manager subsistence:				
Operating stocks.....	94.1	89.9	73.9	73.9
Mobilization reserve stocks.....	32.2	24.3	22.0	22.0
Single manager general supplies:				
Operating stocks.....			89.3	85.1
Mobilization reserve stocks.....			52.7	52.7
Excess or surplus stocks awaiting disposal.....			28.7	24.2
Summary:				
Operating stocks.....	3,345.3	2,961.6	2,200.6	1,607.0
Mobilization reserve stocks.....	1,750.2	1,535.7	1,622.3	1,657.9
Excess or surplus stocks awaiting disposal.....	450.7	345.8	338.2	254.0
Total inventories.....	5,546.2	4,843.1	4,161.0	3,518.9

During the 3 fiscal years, inventories are expected to decrease \$2,027 million. Of this reduction \$826 million results from estimated sale of peacetime stocks without replacement and \$1,450 million from disposal of surplus material, in keeping with the Army's continued emphasis on a critical review of its stock retention policy and the elimination of unneeded stocks from the system. It is estimated that approximately \$195 million of material will be donated to the military assistance program and \$115 million to education, public health, and civil defense activities as authorized by law. Changes in standard prices will reduce inventory book values by \$109 million, and other inventory reductions such as inventory losses and transfers will amount to \$58 million. Offsetting these reductions are estimated increases from net changes in capitalization of \$441 million, receipts of \$140 million from new mobilization reserve procurement, and an accounting adjustment reflecting a return to inventory of \$145 million of material reported in 1959 as donated to the military assistance program but which had not actually been transferred.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. A sales increase of \$182 million is forecast from 1960 to 1962, of which \$138 million is due to sales by the new single manager for general supplies.

Collections exceeded expenditures by \$314 million in 1960 and are expected to exceed expenditures by \$250 million in 1961 and \$210 million in 1962. An account receivable decrease of \$94 million in 1960, reflecting improvements in billing and collection procedures, contributed to the negative budget expenditure for that year. The reduced negative expenditures in 1961 and 1962 reflect delivery of mobilization reserve material and the progressively diminishing stocks which can be sold without replacement.

Transfers of \$281 million in 1960 and \$260 million in 1961 were effected to Military personnel, Army, and an additional \$125 million is proposed for transfer to that account in 1962.

Operating results and financial condition.—Net losses are estimated at \$638 million in 1961 and \$509 million in 1962, compared with \$537 million in 1960. These losses reflect principally the loss on disposal of surplus stocks, and donations. These losses will decline as the amount of surplus material in the supply system is reduced. Although generation of excess stocks is inevitable in supply operations, every effort is being made in current stock fund management to minimize the disposal losses which will occur and to provide for the recovery of such losses from operating appropriations in order to protect the integrity of the capital of the stock fund.

Government investment at June 30, 1962, is estimated at \$4,296 million, including \$11,376 million in capitalized assets less a \$4,270 million deficit and less \$2,810 million of net transfers.

CUMULATIVE OPERATING RESULTS AND FINANCIAL CONDITION
(In millions of dollars)

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	424.6	424.6	424.6
Rescissions and transfers to other accounts.....	-2,850.5	-3,110.5	-3,235.5
Transfers out, net.....	-2,425.9	-2,685.9	-2,810.9
Assets capitalized, net.....	11,051.7	11,281.1	11,376.2
Adjusted initial investment.....	8,625.8	8,595.3	8,565.3
Markup of inventory when acquired.....	977.7	1,084.1	1,215.6
Transportation expense.....	-315.4	-370.8	-431.2
Repair and other expense.....	-140.8	-185.9	-225.1
Net difference between acquisition costs and standard prices.....	521.6	527.4	559.3
Loss on disposal at less than standard prices.....	-2,521.9	-3,082.4	-3,518.9
Donations made.....	-571.4	-673.3	-759.1
Markdown (-) of inventory due to revision of standard prices.....	-693.1	-695.2	-695.2
Other inventory gains, net.....	164.7	163.4	144.4
Net inventory losses and adjustments.....	-3,621.7	-4,287.5	-4,828.8
Net investment changes from operations.....	-3,100.1	-3,760.1	-4,269.5
Government investment, end of year.....	5,525.7	4,835.2	4,295.8

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net.....	2,006,263	2,047,783	2,214,946
Transportation.....	48,145	55,473	60,373
Repair of unserviceable inventory.....	36,683	38,113	33,061
Other operating expense.....	5,056	6,773	6,103
Increase (-) or decrease in accounts payable.....	11,747	-4,565	-2,389
Adjustment of prior year expense.....	1,079	3,880	-----
Increase or decrease (-) in advances.....	3,544	-3,350	-----
Total gross expenditures.....	2,112,517	2,144,107	2,312,094
Receipts from operations (funds provided):			
Reimbursable sales.....	2,357,037	2,417,199	2,539,011
Increase (-) or decrease in accounts receivable.....	94,334	-5,442	-16,917
Adjustment of prior year revenue.....	-24,600	-17,650	-----
Total receipts from operations.....	2,426,771	2,394,107	2,522,094
Budget expenditures.....	-314,254	-250,000	-210,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue: Sale of goods.....	2,357,037	2,417,199	2,539,011
Expense:			
Purchase of goods (at cost).....	2,006,263	2,047,783	2,214,946
Transportation.....	48,145	55,473	60,373
Repair of unserviceable inventory.....	36,683	38,113	33,061
Other operating expense.....	5,056	6,773	6,103
Inventory decrease from operations.....	222,511	241,727	192,608
Inventory losses (net).....	35,534	1,267	19,001
Issues of inventory without reimbursement.....	1,839	380	380
Loss on disposal of inventory at less than standard prices.....	452,474	560,503	436,524
Total operating expense.....	2,808,506	2,952,019	2,962,996
Operating loss (-) for the year.....	-451,469	-534,820	-423,985
Markdown (-) of inventory due to revision of standard prices.....	-106,925	-2,100	-----
Donations (-):			
Military assistance program (Mutual Security Act of 1954, as amended, 22 U.S.C. 1751, 1812).....	-72,322	-66,212	-56,710
Adjustment of prior year donations to military assistance program.....	144,772	-----	-----
Education, public health, or civil defense (40 U.S.C. 484(j) (1) and (2)).....	-50,882	-35,334	-28,731
Net loss (-) for the year.....	-536,827	-638,466	-509,426
Analysis of deficit (-):			
Deficit (-), beginning of year.....	-2,537,589	-3,100,094	-3,760,090
Adjustment of prior year revenue and expense.....	-25,679	-21,529	-----
Deficit (-), end of year.....	-3,100,094	-3,760,090	-4,269,516

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash.....	560,074	550,074	635,074
Accounts receivable, net.....	201,330	206,772	223,689
Inventories.....	4,843,172	4,161,061	3,518,887
Advances.....	4,918	1,568	1,568
Total assets.....	5,609,494	4,919,475	4,379,218
Liabilities:			
Current: Accounts payable.....	66,458	71,023	73,412
Other liabilities: Unapplied sales return credits.....	17,315	13,281	10,051
Total liabilities.....	83,773	84,304	83,463
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Cumulative transfers out (-), net.....	-2,144,900	-2,425,900	-2,685,900
Capitalized inventory, net.....	10,930,658	11,051,715	11,281,162
Unobligated balance transferred to "Military personnel, Army" (73 Stat. 366; 74 Stat. 338; 1962 appropriation act).....	-281,000	-260,000	-125,000
Net change in capitalized inventory.....	121,058	229,447	95,009
End of year.....	8,625,815	8,595,262	8,565,271
Deficit (-).....	-3,100,094	-3,760,090	-4,269,516
Total Government investment.....	5,525,721	4,835,172	4,295,755

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	526,820	560,074	550,074	635,074
Unfilled military assistance orders.....	217,783	229,583	236,183	98,283
Total unexpended balance.....	744,603	789,657	786,257	733,357

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

ARMY STOCK FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)—Continued

	1959 actual	1960 actual	1961 estimate	1962 estimate
Obligated balance, net:				
Accounts payable.....	78,205	66,458	71,023	73,412
Unpaid undelivered orders and unperformed contracts.....	538,622	490,536	549,620	537,165
Accounts receivable, net (—).....	—295,664	—201,330	—206,772	—223,689
Unfilled customer orders (—).....	—201,895	—155,084	—154,995	—154,234
Total obligated balance.....	119,268	200,580	258,876	232,654
Unobligated balance.....	625,335	589,077	527,381	500,703
Object Classification (in thousands of dollars)				
	1960 actual	1961 estimate	1962 estimate	
22 Transportation of things.....	48,145	55,473	60,373	
25 Other services.....	33,925	32,210	32,059	
26 Supplies and materials.....	1,846,830	2,038,330	2,031,553	
31 Equipment.....	123,785	81,742	178,043	
Total obligations.....	2,052,685	2,207,755	2,302,028	

NAVY STOCK FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Clothing and textiles.....	50,800	58,900	56,500
General material.....	176,973	140,900	144,500
Repair parts.....	96,557	107,500	108,800
Navy medical and dental material.....	12,476	13,100	12,700
Subsistence—commissary.....	346,898	354,300	358,300
Electronics.....	47,749	62,100	61,800
Fuels.....	305,681	306,700	307,700
Single manager medical and dental material.....	69,142	70,600	73,000
Single manager industrial supplies.....	9,012	50,900	57,000
Other.....	487		
Total obligations.....	1,115,775	1,165,000	1,180,300
Financing:			
Sale of goods:			
Clothing and textiles.....	56,800	59,500	58,700
General material.....	194,542	162,500	152,900
Repair parts.....	98,470	115,100	114,700
Navy medical and dental material.....	10,881	11,500	11,700
Subsistence—commissary.....	358,976	353,400	358,400
Electronics.....	53,464	58,500	61,700
Fuels.....	314,772	310,300	308,300
Single manager medical and dental material.....	78,642	79,000	75,800
Single manager industrial supplies.....		45,400	63,000
Other.....	14,869	13,400	10,000
Total sale of goods.....	1,181,416	1,208,600	1,215,200
Increase or decrease (—) in unfilled customer orders:			
Military assistance orders.....	—3,061	7,714	—19,000
Other.....		5,000	10,000
Total amounts becoming available.....	1,178,355	1,221,314	1,206,200
Unobligated balance brought forward.....	34,798	22,378	3,692
Total amounts available.....	1,213,153	1,243,692	1,209,892
Unobligated balance transferred to "Military personnel, Navy" (73 Stat. 366; 74 Stat. 338).....	—75,000	—75,000	
Unobligated balance carried forward.....	—22,378	—3,692	—29,592
Financing applied to program.....	1,115,775	1,165,000	1,180,300

This fund, initially established in 1893, finances the procurement and maintenance of inventories of common-use material and supplies for resale and for mobilization reserve (5 U.S.C. 172d). It includes items in all levels of shore-based inventories and in inventories of fleet issue ships and service force vessels afloat.

In 1960 inventories capitalized under the fund increased \$362 million, due principally to the capitalization of ordnance repair parts. The estimates reflect changes in the inventory capitalized under each major supply category of the fund as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Clothing and textiles.....	459	—470	—3,220
General material.....	5,447	5,710	2,100
Repair parts.....	281,004	34,890	23,730
Navy medical and dental material.....	81	150	
Subsistence—commissary.....	—24		
Electronics.....	20,963	14,510	6,300
Fuels.....	8,761		
Single manager medical and dental material.....	1,542	1,000	1,000
Single manager industrial supplies.....		22,520	
Other.....	43,431	—20,810	—14,830
Net change in capitalized inventories.....	361,664	57,500	15,080

Budget program.—The \$65 million increase in 1962 obligations over the 1960 level will finance inventory levels for the new industrial supplies single manager and ordnance repair parts which were capitalized into the fund in 1960. The 1962 program also provides for the procurement of \$10 million of mobilization reserve stocks. The budget program provides for year-end inventories as follows:

	[In millions of dollars]			
	1959 actual	1960 actual	1961 estimate	1962 estimate
Clothing and textiles:				
Operating stocks.....	39.8	33.0	25.6	20.2
Mobilization reserve stocks.....	3.5	3.4	6.9	6.9
General material:				
Operating stocks.....	267.4	265.9	202.4	201.7
Mobilization reserve stocks.....	112.1	49.5	39.6	44.9
Repair parts:				
Operating stocks.....	324.5	571.9	424.7	319.5
Mobilization reserve stocks.....	215.2	155.6	213.1	238.2
Navy medical and dental material:				
Operating stocks.....	3.6	3.5	3.8	3.7
Mobilization reserve stocks.....	2.1	3.3	6.1	7.1
Subsistence—commissary:				
Operating stocks.....	64.2	54.7	60.5	60.3
Mobilization reserve stocks.....	9.4	8.0	8.0	8.0
Electronics:				
Operating stocks.....	166.1	197.3	205.0	185.2
Mobilization reserve stocks.....	39.0	12.7	15.2	17.2
Fuels:				
Operating stocks.....	33.6	51.8	33.1	32.6
Mobilization reserve stocks.....	111.8	96.2	96.1	96.1
Single manager medical and dental material:				
Operating stocks.....	72.9	51.2	59.8	67.6
Mobilization reserve stocks.....	212.4	202.2	198.0	193.9
Excess or surplus stocks awaiting disposal.....	13.3	4.6	1.9	1.8
Single manager industrial supplies:				
Operating stocks.....			51.4	52.4
Mobilization reserve stocks.....			7.0	7.0
Other:				
Operating stocks.....	2.0	.7	.3	.3
Excess or surplus stocks awaiting disposal.....	176.7	144.9	75.4	25.8
Summary:				
Operating stocks.....	974.1	1,230.0	1,066.6	943.5
Mobilization reserve stocks.....	705.5	530.9	590.0	619.3
Excess or surplus stocks awaiting disposal.....	190.0	149.5	77.3	27.6
Total finished goods in store.....	1,869.6	1,910.4	1,733.9	1,590.4
Material in transit from procurement.....	53.2	54.7	54.7	54.7
Material in transit between storage locations.....	64.3	77.4	65.1	55.0
Total inventories.....	1,987.1	2,042.5	1,853.7	1,700.1

During 1960, total inventory increased by \$55 million, the net of \$371 million in increases and \$316 million in decreases. The decreases consisted of \$204 million in disposals of excess and surplus property, \$34 million in authorized donations, \$13 million in inventory losses, and \$65 million of material sold without being replaced. In 1960, \$362 million in inventory was capitalized, and standard price markups added \$9 million to book value of the inventory. During 1961 and 1962 a further decrease in inventory of \$342 million is forecast, the net of \$85 million in increases, and \$427 million in reductions. The reductions reflect an estimated \$306 million in losses on disposal of surplus inventory, \$67 million in sales of stocks without replacement, \$33 million in authorized donations, and \$21 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 1962 are estimated at \$34 million above the 1960 level. Cash receipts exceeded disbursements by \$54.7 million in 1960 and are expected to exceed disbursements by \$75 million in 1961 and \$35 million in 1962.

Operating results and financial condition.—The statements show substantial net losses of \$176 million in 1961 and \$134 million in 1962 compared with a loss of \$222 million in 1960. These losses result largely from disposal of excess and surplus inventories at an average of about 7% of standard price.

Net inventory losses, included in the net operating losses, are forecast at \$11 million for 1961 and \$10 million for 1962, compared with \$13 million in 1960. These losses represent the net from discrepancies in shipments, pilferage, losses in storage, differences disclosed by physical inventories, and accounting adjustments.

The Government investment at June 30, 1962, is estimated at \$1,922.8 million, consisting of net appropriations of \$336.6 million, net capitalized inventory of \$2,459.6 million, less \$873.5 million deficit.

CUMULATIVE OPERATING RESULTS AND FINANCIAL CONDITION

(In millions of dollars)

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	2,028.1	2,028.1	2,028.1
Rescissions and transfers to other accounts.....	-1,616.5	-1,691.5	-1,691.5
Appropriations, net.....	411.6	336.6	336.6
Assets capitalized, net.....	2,387.0	2,444.5	2,459.6
Adjusted initial investment.....	2,798.6	2,781.1	2,796.2
Markup of inventory when acquired.....	374.2	442.9	517.0
Transportation expense.....	-279.7	-326.8	-378.4
Repair and other expense.....	-29.9	-32.9	-35.9
Net difference between acquisition costs and standard prices.....	64.6	83.2	102.7
Loss on disposal at less than standard prices.....	-748.3	-926.4	-1,054.7
Donations made.....	-90.4	-108.2	-123.2
Markup of inventory due to revision of standard prices.....	149.7	161.7	161.7
Other inventory gains, net.....	61.0	50.0	40.0
Net inventory losses and adjustments.....	-628.0	-822.9	-976.2
Net investment changes from operations.....	-563.4	-739.7	-873.5
Government investment, end of year.....	2,235.2	2,041.4	1,922.8

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net.....	1,042,606	1,084,570	1,121,630
Transportation.....	47,114	47,060	51,600
Repair of unserviceable inventory.....	2,906	2,970	2,970
Decrease in liabilities.....	28,313		
Profits from sale of ships stores for transfer to "Ships stores profits, Navy" (trust fund).....	4,325	4,000	4,000
Total gross expenditures.....	1,125,264	1,138,600	1,180,200
Receipts from operations (funds provided):			
Reimbursable sales.....	1,181,416	1,208,600	1,215,200
Increase (-) or decrease in accounts receivable.....	-1,457	5,000	
Total receipts from operations.....	1,179,959	1,213,600	1,215,200
Budget expenditures.....	-54,695	-75,000	-35,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue: Sale of goods.....	1,181,416	1,208,600	1,215,200
Expense:			
Purchase of goods (at cost).....	1,042,606	1,084,570	1,121,630
Transportation.....	47,114	47,060	51,600
Repair of unserviceable inventory.....	2,906	2,970	2,970
Inventory decrease from operations.....	65,292	51,340	15,460
Inventory losses, net.....	13,174	11,000	10,000
Loss on disposal of inventory at less than standard prices.....	203,562	178,120	128,280
Profits from sale of ships stores for transfer to "Ships store profits, Navy" (trust fund).....	4,325	4,000	4,000
Total operating expense.....	1,378,979	1,379,060	1,333,940
Operating loss (-) for the year.....	-197,563	-170,460	-118,740
Markup of inventory due to revision of standard prices.....	9,425	11,990	
Donations for education, public health, or civil defense (40 U.S.C. 484(j) (1), (2)).....	-33,654	-17,830	-15,000
Net loss (-) for the year.....	-221,792	-176,300	-133,740
Deficit (-), beginning of year.....	-341,630	-563,422	-739,722
Deficit (-), end of year.....	-563,422	-739,722	-873,462

Financial Condition (in thousands of dollars)

Assets:			
Cash.....	214,631	214,631	249,631
Accounts receivable, net.....	55,219	50,219	50,219
Inventories.....	2,042,547	1,853,747	1,700,087
Other assets, net.....	495	495	495
Total assets.....	2,312,892	2,119,092	2,000,432
Liabilities:			
Current: Accounts payable.....	77,674	77,674	77,674
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Appropriations, net.....	486,587	411,587	336,587
Capitalized inventory, net.....	2,025,389	2,387,053	2,444,553
Unobligated balance transferred to "Military personnel, Navy" (73 Stat. 366; 74 Stat. 338).....	-75,000	-75,000	
Net change in capitalized inventory.....	361,664	57,500	15,080
End of year.....	2,798,640	2,781,140	2,796,220
Deficit (-).....	-563,422	-739,722	-873,462
Total Government investment.....	2,235,218	2,041,418	1,922,758

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY STOCK FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	234,936	214,631	214,631	249,631
Unfilled military assistance orders.....	21,807	18,746	26,460	7,460
Total unexpended balance.....	256,744	233,378	241,091	257,091
Obligated balance, net:				
Accounts payable.....	105,006	77,674	77,674	77,674
Unpaid undelivered orders and unperformed contracts.....	190,702	208,545	234,944	235,044
Accounts receivable, net (—).....	—53,762	—55,219	—50,219	—50,219
Unfilled customer orders (—).....	—20,000	—20,000	—25,000	—35,000
Total obligated balance.....	221,945	211,000	237,399	227,499
Unobligated balance.....	34,798	22,378	3,692	29,592

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	47,114	47,060	51,600
25 Other services.....	2,906	2,970	2,970
26 Supplies and materials.....	1,061,430	1,110,970	1,121,730
42 Insurance claims and indemnities.....	4,325	4,000	4,000
Total obligations.....	1,115,775	1,165,000	1,180,300

MARINE CORPS STOCK FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Ordnance-tank-automotive.....	11,004	14,100	11,000
Engineer supplies and construction materials.....	4,703	3,900	4,000
Communications—electronic.....	6,497	6,200	6,200
General material.....	10,256	9,300	11,500
Clothing and textiles.....	18,375	23,100	18,500
Fuel.....	3,438	3,700	3,900
Subsistence—commissary.....	45,390	47,700	49,200
Total obligations.....	99,663	108,000	104,300
Financing:			
Sales of goods:			
Ordnance-tank-automotive.....	12,634	16,800	18,100
Engineer supplies and construction materials.....	3,800	4,500	4,600
Communications—electronic.....	3,885	5,100	5,000
General material.....	13,128	14,800	14,000
Clothing and textiles.....	22,541	20,700	21,400
Fuel.....	3,825	4,000	4,000
Subsistence—commissary.....	47,056	47,800	49,300
Net sales of goods.....	106,869	113,700	116,400
Increase or decrease (—) in unfilled customer orders:			
Military assistance orders.....	—501	—294	—400
Other.....	600		
Total amounts becoming available.....	106,968	113,406	116,000
Unobligated balance brought forward.....	14,323	—2,372	2,534
Total amounts available.....	121,291	111,034	118,534

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance transferred to "Military personnel, Marine Corps" (73 Stat. 366; 74 Stat. 338).....	—24,000	—500	-----
Unobligated balance carried forward.....	2,372	—2,534	—14,234
Financing applied to program.....	99,663	108,000	104,300

This fund began operations on July 1, 1953 and finances the procurement and maintenance of inventory for resale and mobilization reserve (5 U.S.C. 172d). All inventories except individual clothing and commissary stores are in the United States.

The fund was extended in 1959 and 1960 to include additional items of ordnance and general material, including certain locally procured items. In 1961, additional communications items will be financed in the fund. In 1961 and 1962, some general material inventory is being transferred to the newly established single managers for general and industrial supplies in Army and Navy. Otherwise, changes in capitalized inventories result from returns from users without credit. Estimates contemplate changes in capitalized inventory under each category as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Ordnance-tank-automotive.....	3,245	500	200
Engineer supplies and construction materials.....	1,254	—70	1,000
Communications—electronic.....	1,671	3,000	2,400
General material.....	2,430	—2,400	—1,525
Clothing and textiles.....	1,282	—608	—200
Fuel.....	5	5	-----
Subsistence—commissary.....	48	-----	-----
Total inventories capitalized during year (net of decapitalizations).....	9,935	427	1,875
Decrease (—) in undelivered purchases to be paid from other accounts.....	—275	—800	—100
Net change in capitalized inventories.....	9,660	—373	1,775

Budget program.—The increase for ordnance in 1961 results from initial parts requirements for new items. The increase in general material relates to supplying additional items through the fund. The other principal increase, in subsistence—commissary, reflects the increasing use of commissary sales stores by authorized personnel. The budget program is based on year-end inventories as follows (in millions of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Ordnance-tank-automotive:				
Operating stocks.....	114.5	121.1	81.4	45.1
Mobilization reserve stocks.....	19.7	16.5	16.5	18.2
Excess and surplus stocks awaiting disposal.....	5.5	21.3	39.9	48.6
Engineer supplies and construction materials:				
Operating stocks.....	27.7	31.0	23.0	19.7
Mobilization reserve stocks.....	3.6	3.3	3.4	4.1
Excess and surplus stocks awaiting disposal.....	1.3	3.2	4.9	2.7
Communications—electronic:				
Operating stocks.....	46.4	53.4	56.5	55.6
Mobilization reserve stocks.....	4.6	4.8	6.0	7.9
Excess and surplus stocks awaiting disposal.....	.9	2.3	2.4	2.5
General material:				
Operating stocks.....	92.7	70.9	59.6	52.2
Mobilization reserve stocks.....	25.0	21.0	20.8	22.1
Excess and surplus stocks awaiting disposal.....	3.6	4.1	3.1	2.2

	1959 actual	1960 actual	1961 estimate	1962 estimate
Clothing and textiles:				
Operating stocks.....	24.3	15.5	10.6	10.5
Mobilization reserve stocks.....	10.7	12.7	14.5	14.5
Excess and surplus stocks awaiting disposal.....	3.1	2.6	3.0	.3
Fuel:				
Operating stocks.....	1.7	1.7	1.4	1.3
Excess and surplus stocks awaiting disposal.....	.4			
Subsistence—commissary: Operating stocks.....	7.1	7.8	7.7	7.7
Summary:				
Operating stocks.....	314.4	301.4	240.2	192.1
Mobilization reserve stocks.....	63.6	58.3	61.2	66.9
Excess and surplus stocks awaiting disposal.....	15.0	33.5	53.3	56.3
Total inventories.....	393.0	393.2	354.7	315.4

The inventory decrease of \$77.6 million from the end of 1959 to the end of 1962 is the net of \$12.2 million in capitalized inventories, markup of inventory of \$5.6 million, \$5.8 million in inventory gains and adjustments, and \$101.2 million in decreases. These decreases include \$17.1 million in sale of stocks without replacement, \$74.5 million in losses on disposal, and \$9.6 million in donations of surplus stocks.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. Sales in 1962 are estimated to increase about \$9.5 million over 1960, largely in new items of ordnance, and in subsistence—commissary, reflecting greater use of commissary stores. Cash receipts are expected to exceed expenditures by \$5 million in both 1961 and 1962 primarily due to sale of stocks without replacement.

Operating results and financial condition.—Net losses of \$19.6 and \$34.7 million are forecast from 1961 and 1962 operations, respectively. These result largely from the disposal or donation of material in long supply at the time of capitalization. Cumulative operating results and financial condition through 1962 are estimated as follows (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Appropriation.....	40	40	40
Rescissions and transfers to other accounts.....	-157	-158	-158
Transfers out, net.....	-117	-118	-118
Assets capitalized, net.....	582	581	583
Adjusted initial investment.....	465	463	465
Markup of inventory when acquired.....	25	27	29
Transportation expense.....	-2	-2	-3
Repair and other expense.....		-1	-1
Net difference between acquisition costs and standard prices.....	23	24	25
Loss on disposal at less than standard prices.....	-38	-70	-102
Donations made.....	-21	-24	-26
Markup of inventory due to revision of standard prices.....	7	7	7
Other inventory losses (-), net.....	-47	-32	-33
Net inventory losses and adjustments.....	-99	-119	-154
Net investment changes from operations.....	-76	-95	-130
Government investment, end of year.....	389	368	336

Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale.....	95,398	109,228	109,153
Transportation.....	240	441	374
Repair of unserviceable inventory.....	129	388	471
Increase (-) or decrease in accounts payable.....	5,386	-1,357	1,002
Increase in advances.....	77		
Total gross expenditures.....	101,230	108,700	111,000
Receipts from operations (funds provided):			
Reimbursable sales.....	106,869	113,700	116,400
Increase (-) in accounts receivable.....	-1,429		-400
Total receipts from operations.....	105,440	113,700	116,000
Budget expenditures.....	-4,210	-5,000	-5,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Revenue: Sales of goods.....	106,869	113,700	116,400
Expense:			
Purchase of goods (at cost).....	95,398	109,228	109,153
Transportation.....	240	441	374
Repair of unserviceable inventory.....	129	388	471
Inventory decrease from operations.....	9,939	2,088	5,046
Inventory gains (-) or losses, net.....	3,543	-12,648	2,062
Loss on disposal of inventory at less than standard prices.....	10,497	32,000	32,000
Total operating expense.....	119,746	131,497	149,106
Operating loss (-) for the year.....	-12,877	-17,797	-32,706
Markup of inventory due to revision of standard prices.....	4,777	850	
Donations to—			
Military assistance program (Mutual Security Act of 1954, as amended, 22 U.S.C. 1751, 1812).....	-2,865		
Education, public health, or civil defense (40 U.S.C. 484(j)(1)(2)).....	-2,016	-2,700	-2,000
Net loss (-) for the year.....	-12,981	-19,647	-34,706
Deficit (-), beginning of year.....	-62,783	-75,764	-95,411
Deficit (-), end of year.....	-75,764	-95,411	-130,117

Financial Condition (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash.....	23,147	27,647	32,647
Accounts receivable, net.....	1,767	1,767	2,167
Inventories.....	393,234	354,660	315,427
Advances.....	109	109	109
Due in from undelivered purchases to be paid from other accounts.....	1,298	498	398
Total assets.....	419,555	384,681	350,748
Liabilities:			
Current:			
Accounts payable.....	14,871	16,228	15,226
Audit suspense and undistributed credits.....	15,711		
Total liabilities.....	30,582	16,228	15,226
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Capitalized inventory, net.....	572,077	581,737	581,364
Cumulative transfers out (-), net.....	-93,000	-117,000	-117,500
Transferred to "Military personnel, Marine Corps" (73 Stat. 366; 74 Stat. 338).....	-24,000	-500	
Net change in capitalized inventory.....	9,660	-373	1,775
End of year.....	464,737	463,864	465,639
Deficit (-).....	-75,764	-95,411	-130,117
Total Government investment.....	388,973	368,453	335,522

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

MARINE CORPS STOCK FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	42,937	23,147	27,647	32,647
Unfilled military assistance orders.....	1,202	701	407	7
Total unexpended balance.....	44,139	23,848	28,054	32,654
Obligated balance, net:				
Accounts payable.....	20,257	14,871	16,228	15,226
Other obligations (unpaid undelivered orders and unperformed contracts).....	21,897	25,716	23,659	17,961
Accounts receivable, net (-).....	-338	-1,767	-1,767	-2,167
Unfilled customer orders (-).....	-12,000	-12,600	-12,600	-12,600
Total obligated balance.....	29,816	26,220	25,520	18,420
Unobligated balance.....	14,323	-2,372	2,534	14,234

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	240	441	374
25 Other services.....	129	388	471
26 Supplies and materials.....	99,294	107,171	103,455
Total obligations.....	99,663	108,000	104,300

AIR FORCE STOCK FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Clothing.....	52,048	53,300	45,200
Medical-dental.....	30,434	31,400	-----
Aviation fuels.....	662,744	724,300	688,000
Subsistence—commissary.....	441,255	448,000	449,000
General material.....	54,400	45,600	52,300
Total obligations.....	1,240,881	1,302,600	1,234,500
Financing:			
Sale of goods:			
Clothing.....	62,372	56,000	46,300
Medical-dental.....	28,218	29,700	-----
Aviation fuels.....	737,188	703,400	689,400
Subsistence—commissary.....	447,029	448,000	451,000
General material.....	62,156	52,900	55,700
Net sale of goods.....	1,336,963	1,290,000	1,242,400
Increase or decrease (-) in unfilled customer orders:			
Military assistance orders.....	-1,069	6,566	-20,000
Other.....	-865	-2,524	-----
Adjustment of prior year revenue.....	-894	-----	-----
Total amounts becoming available.....	1,334,135	1,294,042	1,222,400
Unobligated balance brought forward.....	144,134	187,388	148,830
Total amounts available.....	1,478,269	1,481,430	1,371,230
Unobligated balance transferred to "Military personnel, Air Force" (73 Stat. 367; 74 Stat. 339; 1962 appropriation act).....	-50,000	-30,000	-25,000
Unobligated balance carried forward.....	-187,388	-148,830	-111,730
Financing applied to program.....	1,240,881	1,302,600	1,234,500

This fund, established July 1, 1950, finances for 1962 the procurement of approximately 71,000 items for operating and mobilization reserve stocks (5 U.S.C. 172d). These items are stocked and sold at approximately 1,000 locations. A base level service test operation for certain general material items was concluded in 1960. In 1962, organizational clothing and medical-dental supplies and equipment will revert from stock fund to general appropriation financing. Transfers of some general material stocks to recently established single managers in Army and Navy are also reflected in 1961 and 1962. The decrease in capitalized inventory in 1960 relates primarily to adjustments of initially capitalized organizational clothing items which were subsequently disposed of as surplus. The decreases in 1961 and 1962 are due to the transfers of organizational clothing and medical-dental items. Changes in capitalized inventory by category are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Clothing.....	6,908	-16,346	-2,900
Medical-dental.....	-141	-28,858	-3,068
Aviation fuels.....	11	-----	-----
Subsistence—commissary.....	73	-----	-----
General material.....	-1,939	-12,252	1,912
Total inventories capitalized during year (net of decapitalizations).....	4,912	-57,456	-4,056
Charges (-) against capital for loss on disposal of inventory surplus at time of capitalization.....	-7,889	-----	-----
Net change in capitalized inventories.....	-2,977	-57,456	-4,056

Budget program.—Obligations increase by \$62 million in 1961, attributable to aviation fuels, resulting from the significant inventory drawdown in that area in 1960 and an increase in material on order. The decrease of \$68 million in 1962 reflects the reduced scope of operations resulting from decapitalizations and decreased aviation fuels requirements. The budget program provides for year-end inventories as follows (in millions of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Clothing:				
Operating stocks.....	28.2	25.2	10.9	10.6
Mobilization reserve stocks.....	7.9	4.6	1.3	1.3
Excess or surplus stocks awaiting disposal.....	9.7	8.3	.3	.2
Medical-dental:				
Operating stocks.....	5.8	6.1	-----	-----
Mobilization reserve stocks.....	16.5	16.9	-----	-----
Excess or surplus stocks awaiting disposal.....	1.9	2.4	-----	-----
Aviation fuels:				
Operating stocks.....	86.6	84.5	91.4	95.0
Mobilization reserve stocks.....	148.6	111.0	104.3	101.2
Subsistence—commissary:				
Operating stocks.....	49.0	49.5	47.0	46.1
Mobilization reserve stocks.....	4.7	4.0	4.2	4.2
General material:				
Operating stocks.....	70.8	68.3	45.8	42.1
Excess or surplus stocks awaiting disposal.....	6.9	9.3	4.9	3.1
Summary:				
Operating stocks.....	240.4	233.6	195.1	193.8
Mobilization reserve stocks.....	177.7	136.5	109.8	106.7
Excess or surplus stocks awaiting disposal.....	18.5	20.0	5.2	3.3
Total inventories.....	436.6	390.1	310.1	303.8

Inventory decrease of \$80 million in 1961 is due to the decapitalizations mentioned above and to disposal and operating losses, offset by minor changes in operating stocks. The further decrease of \$6 million in 1962 rep-

resents basically a reduced mobilization reserve requirement in aviation fuels, and minor drawdowns in all other categories.

Financing the budget program.—Funds for financing the budget program are derived from sales to authorized customers. Transfers to "Military personnel, Air Force," of \$50 million and \$30 million were effected in 1960 and 1961 and an additional \$25 million is proposed for 1962. Collections are expected to exceed payments in 1961 due to drawdowns in inventory and accounts receivable. It is estimated that expenditures and collections will be equal in 1962.

Operating results and financial condition.—The net gain in 1960 resulted primarily from variances between actual costs and standard prices in purchases of aviation fuels. The losses in 1961 and 1962 are due to the disposal of general material stocks at less than standard prices and reflect the continuing effort to dispose of excess property. The deficit of \$208 million at June 30, 1962, is attributable largely to downward revision of standard prices for items initially capitalized and losses sustained in the disposal of excess and surplus stocks. Cumulative operating results and financial condition through 1962 are estimated as follows (in millions of dollars):

CUMULATIVE OPERATING RESULTS AND FINANCIAL CONDITION

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	596	596	596
Rescissions and transfers to other accounts.....	425	455	480
Appropriations, net.....	171	141	116
Assets capitalized, net.....	688	630	626
Adjusted initial investment.....	859	771	742
Markup of inventory when acquired..	1,067	1,150	1,235
Transportation expense.....	-411	-472	-535
Repair and other expense.....	-97	-117	-136
Net difference between acquisition costs and standard prices.....	559	561	564
Loss on disposal at less than standard prices.....	-403	-422	-429
Donations made.....	-42	-42	-42
Markdown (-) of inventory due to revision of standard prices.....	-208	-210	-210
Other inventory losses (-), net.....	-76	-84	-91
Net inventory losses and adjustments.....	-729	-758	-772
Net investment changes from operations.....	-170	-197	-208
Government investment, end of year.....	689	574	534

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of goods for sale, net.....	1,214,533	1,214,275	1,169,156
Transportation.....	61,931	60,357	63,460
Other operating expense.....	15,332	20,578	18,369
Increase (-) or decrease in accounts payable.....	19,762	-15,010	-3,252
Increase (-) or decrease in deferred credits.....	-2,208	-207	267
Increase or decrease (-) in advances..	-180	7	-----
Total gross expenditures.....	1,309,170	1,280,000	1,248,000

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Reimbursable sales.....	1,336,963	1,290,000	1,242,400
Decrease in accounts receivable.....	8,940	11,428	5,076
Increase (-) or decrease in deferred charges.....	-466	-428	524
Adjustment of prior year revenue.....	-894	-----	-----
Total receipts from operations.....	1,344,543	1,301,000	1,248,000
Budget expenditures.....	-35,373	-21,000	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue: Sale of goods.....	1,336,963	1,290,000	1,242,400
Expense:			
Purchase of goods (at cost).....	1,214,533	1,214,275	1,169,156
Transportation.....	61,931	60,357	63,460
Other operating expense.....	15,332	20,578	18,369
Inventory increase (-) or decrease from operations.....	19,485	-7,499	-11,850
Inventory losses, net.....	16,899	7,982	6,810
Loss on disposal of inventory at less than standard prices.....	10,218	19,138	7,130
Charges (-) to capital for loss on disposal of inventory surplus at time of capitalization.....	-7,889	-----	-----
Total operating expense.....	1,330,509	1,314,831	1,253,075
Operating gain or loss (-) for the year.....	6,454	-24,831	-10,675
Markdown (-) of inventory due to revision of standard prices.....	-4,210	-2,240	-----
Donations (-): Education, public health, or civil defense (40 U.S.C. 484(j)(1)(2)).....	-624	-673	-115
Net income or loss (-) for the year.....	1,620	-27,744	-10,790
Analysis of deficit (-):			
Deficit (-), beginning of year.....	-170,427	-169,702	-197,446
Adjustment of prior year revenue.....	-894	-----	-----
Deficit (-), end of year.....	-169,702	-197,446	-208,236

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash.....	261,431	252,431	227,431
Accounts receivable, net.....	135,052	123,624	118,548
Inventories.....	390,121	310,130	303,869
Advances.....	446	454	454
Deferred charges.....	21,509	21,938	21,414
Total assets.....	808,559	708,577	671,716
Liabilities:			
Current:			
Accounts payable.....	102,641	117,651	120,903
Deferred credits.....	16,767	16,974	16,707
Total liabilities.....	119,408	134,625	137,610
Government investment:			
Non-interest-bearing capital:			
Start of year:			
Cumulative appropriations and transfers, net.....	221,300	171,300	141,300
Capitalized inventory, net.....	690,529	687,554	630,098
Unobligated balance transferred to "Military personnel, Air Force" (73 Stat. 367; 74 Stat. 339; 1962 appropriation act).....	-50,000	-30,000	-25,000
Net change in capitalized inventory..	-2,976	-57,456	-4,056
End of year.....	858,853	771,398	742,342
Deficit (-).....	-169,702	-197,446	-208,236
Total Government investment.....	689,151	573,952	534,106

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE STOCK FUND—Continued

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	276,058	261,431	252,431	227,431
Unfilled military assistance orders	15,293	14,224	20,790	790
Total unexpended balance.....	291,351	275,655	273,221	228,221
Obligated balance, net:				
Accounts payable.....	122,403	102,641	117,651	120,903
Deferred credits.....	14,559	16,767	16,974	16,707
Unpaid undelivered orders and unperformed contracts.....	183,595	132,860	140,243	123,758
Accounts receivable, net (—).....	—143,992	—135,052	—123,624	—118,548
Deferred charges (—).....	—21,043	—21,509	—21,938	—21,414
Unfilled customer orders (—).....	—8,305	—7,440	—4,916	—4,916
Total obligated balance.....	147,217	88,267	124,390	116,490
Unobligated balance.....	144,134	187,388	148,830	111,730

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	61,931	60,357	63,460
25 Other services.....	15,332	20,578	18,369
26 Supplies and materials.....	1,159,566	1,217,734	1,152,671
31 Equipment.....	4,052	3,931	-----
Total obligations.....	1,240,881	1,302,600	1,234,500

ARMY INDUSTRIAL FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Cost of goods and services produced:			
Printing and pictorial.....	7,916	7,600	7,600
Depot manufacturing and maintenance divisions.....	31,258	25,672	25,462
Ordnance arsenals.....	261,702	290,356	290,683
Ordnance missile command.....	156,861	125,084	129,648
Ordnance proving ground and research.....	70,305	73,290	74,283
Chemical arsenals.....	13,268	21,229	31,081
Chemical proving ground and research.....	64,153	69,911	71,455
Transportation terminal commands.....	84,382	91,017	90,547
Total cost of goods and services produced.....	689,845	704,159	720,759
Adjustment of prior year expense.....	—416	-----	-----
Total program costs.....	689,429	704,159	720,759
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-----	—10,647	—551
Obligations incurred for costs of other years, net.....	27,593	-----	-----
Total obligations.....	717,021	693,512	720,208
Financing:			
Amounts becoming available: Customer orders received:			
Printing and pictorial.....	8,141	7,600	7,600
Depot manufacturing and maintenance divisions.....	30,066	27,567	25,047
Ordnance arsenals.....	288,609	262,098	264,133
Ordnance missile command.....	151,920	125,084	129,648

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Amounts becoming available: Customer orders received—Continued			
Ordnance proving ground and research.....	68,316	64,470	69,569
Chemical arsenals.....	20,936	25,337	30,494
Chemical proving ground and research.....	76,390	59,214	67,982
Transportation terminal commands.....	84,864	91,016	90,547
Total amounts becoming available.....	729,242	662,386	685,020
Unobligated balance brought forward.....	440,583	448,363	417,837
Unobligated military assistance orders transferred to (—) or from other service accounts.....	—4,441	600	-----
Total amounts available.....	1,165,384	1,111,349	1,102,857
Unobligated balance carried forward.....	—448,363	—417,837	—382,649
Financing applied to program.....	717,021	693,512	720,208

This fund finances industrial and commercial-type activities on a reimbursable basis (5 U.S.C. 172d).

Budget program—Army pictorial center.—This installation produces, procures, evaluates, and distributes motion pictures, film strips, recordings, transparencies, and television programs for use in military training, research, orientation, and education. The use of performance standards and operating expense budgets has stabilized operations at an economical level of performance which is expected to be continued with small volume variances in 1961 and 1962.

Depot manufacturing and maintenance divisions.—Activities under this program are organizational units of multiple mission installations. The maintenance divisions include three Quartermaster activities, three Engineer shops, an Ordnance shop, a Signal shop, and a railroad repair shop. These activities rebuild and restore equipment to combat readiness. The Ordnance shop was deactivated June 30, 1960, and an Engineer shop is scheduled for deactivation by January 1, 1961, resulting in program decreases in 1961 and 1962. The manufacturing division manufactures clothing and other textile items.

Ordnance arsenals.—These six installations are engaged in the research, development, engineering, pilot manufacturing, testing, and evaluation of small arms and artillery-type weapons. Programmed costs increase in 1961 and 1962 because of the 1961 salary increase for classified employees, use of higher priced materials in the fabrication of special weapons, and provisions for the purchase of components previously supplied by customers.

Ordnance missile command.—This activity finances research, development, production and logistical support operations of Headquarters, Army Ordnance Missile Command, the Army Ballistic Missile Agency, the Army Rocket and Guided Missile Agency, and Redstone Arsenal. The estimates for 1961 reflect transfer of a former part of the Army Ballistic Missile Agency to the National Aeronautics and Space Administration, pursuant to Executive Order No. 10870 dated March 19, 1960. The lower level of production forecast in 1961 and 1962 reflects the transfer of nonmilitary activities.

Ordnance proving ground and research.—This includes a laboratory specializing in work on fuzes and a proving ground engaged primarily in research, development, and testing of ordnance weapons, materials and equipment. Salary increases and an increase in employees to reduce the backlog in programmed workload, increase estimated production costs in 1961 and 1962.

Chemical arsenals.—These two arsenals are equipped for volume production and loading of hazardous chemical materials. Production in 1960 was limited to orders in support of research and development and maintenance of standby plant and equipment. The substantial cost increases forecast in 1961 and 1962 result from the use of higher cost components in the items being manufactured.

Chemical proving ground and research.—These three activities are engaged primarily in work on chemical and biological warfare agents, delivery systems, and protective items. Salary increases for classified employees, and the expanded manufacturing program increase estimated costs in 1961 and 1962.

Transportation terminal commands.—These three commands plan, regulate, and control the export and import movement of personnel and cargo through Army terminals on the Atlantic, Pacific, and Gulf coasts. In addition, this program includes cost of auxiliary port services and support of tenants and satellites. No increase in mission workload is anticipated in 1961 and 1962 but costs will increase primarily because of 1961 salary and wage increases. Estimated workload is (in thousands):

	1960 actual	1961 estimate	1962 estimate
Cargo in measurement tons.....	7,585	7,535	7,535
Passengers.....	458	464	464

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Materials and supplies.....	24,749	33,964	30,119	30,888
Advances and other assets.....	1,302	356	333	332
Provision for subsequent maintenance, claims, etc. (—).....	—957	—1,376	—1,236	—1,309
Unpaid undelivered orders.....	80,381	108,222	97,252	96,006
Total selected resources at end of year.....	105,475	141,166	126,468	125,917
Selected resources at start of year (—).....	—	—105,475	—141,166	—126,468
Increase or decrease (—) in selected resources.....	—	35,691	—14,698	—551
Materials and supplies capitalized (—).....	—	—11,460	—	—
Material and supplies transferred to National Aeronautics and Space Administration (42 U.S.C. 2473).....	—	—	6,625	—
Liabilities assumed or canceled (—): Accrued leave.....	—	3,362	—2,574	—
Costs financed from obligations of other years, net (—).....	—	—	—10,647	—551
Obligations incurred for costs of other years, net.....	—	27,593	—	—

Obligations exceeded costs by \$27.6 million in 1960, primarily because of increases in contracts and orders outstanding for undelivered materials and supplies. This is attributable to prerequisitioning of materials required for the manufacture of special ordnance weapons in 1961, and the establishment of orders for the newly capitalized Army Ordnance Missile Command activities. Obligations are expected to be \$10.6 million less than costs in 1961 and to equal costs in 1962.

Financing the budget program.—This program is financed from customer orders. These orders constitute valid obligations of customers' appropriations and authorize activities financed through the fund to requisition materials and to commence production. Costs are charged initially to the working capital of the fund and are billed to customers as the jobs are completed or period-

ically as work progresses. Estimated orders in 1961 and 1962 are based upon program guidance from major customers plus estimates of work to be performed for other customers, determined on the basis of previous experience. New orders in 1961 are estimated at \$68 million less and in 1962 at \$46 million less than in 1960. The backlog of incomplete and unbilled orders is expected to be reduced from \$425 million at June 30, 1960, to \$351 million at June 30, 1962. This is consistent with the Army policy of restricting the financing of workload backlog to the minimum required for advance planning and stability of operations at an optimum level.

Operating results and financial condition.—The following table indicates 1960 net revenue and expense by activity (in thousands of dollars):

	Revenue	Expense	Gain or loss (—)
Army pictorial center.....	8,280	8,200	80
Depot manufacturing and maintenance divisions.....	31,802	31,802	—
Ordnance arsenals.....	265,803	269,245	—3,442
Ordnance missile command.....	151,922	152,582	—660
Ordnance proving ground and research.....	69,815	69,576	239
Chemical arsenals.....	13,317	13,207	110
Chemical proving grounds and research.....	61,532	61,844	—312
Transportation terminal commands.....	91,774	92,144	—370
Total.....	694,244	698,600	—4,356

The net loss in 1960 was realized primarily at a few installations which made inadequate provisions for charging customers for the full cost of work done and services furnished. On the basis of improved management no gain or loss is projected in 1961 or 1962, with the objective of avoiding either augmentation or overcharging of customer appropriations.

Expenditures exceeded collections by \$7.1 million in 1960. This represents fluctuations in inventory levels and other year-to-year changes in working capital balances. Expenditures are expected to equal collections in 1961 and 1962. Employee annual leave accruals, included in the statements as a current liability, were \$38.7 million as of June 30, 1960. The Government investment at the end of 1962 is estimated at \$223.5 million, composed of \$206.9 million in reappropriations and \$18.3 million in capitalized assets, less an accumulated operating loss of \$1.7 million. Of this total, \$123.5 million covers working capital requirements of the activities currently financed through the fund. The balance of \$100 million is available for contingent requirements.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies.....	93,680	110,704	119,727
Costs, less materials and supplies used.....	593,920	596,234	601,801
Liabilities assumed or cancelled (—): Accrued leave.....	3,362	—2,574	—
Adjustment of prior year expense.....	—416	—	—
Increase (—) or decrease in current liabilities.....	—13,110	4,266	—1,037
Increase (—) or decrease in provision for subsequent maintenance, claims, etc.....	—419	140	—73
Decrease (—) in advances made and deferred charges.....	—781	—175	—1
Total gross expenditures.....	676,236	708,595	720,417
Receipts from operations (funds provided):			
Revenue.....	694,244	700,554	721,955
Adjustment of prior year revenue.....	347	—	—
Increase (—) or decrease in accounts receivable.....	—25,424	8,172	—1,513

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

ARMY INDUSTRIAL FUND—Continued

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided)—Con.			
Decrease (—) in advances from non-Federal sources	—61	—131	—25
Total receipts from operations	669,106	708,595	720,417
Budget expenditures	7,130		

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Manufacturing and assembly	143,275	173,980	187,883
Overhaul and repair	34,971	31,918	29,738
Research and development	279,923	213,036	218,372
Transportation	68,019	64,027	63,509
Printing	707	772	802
Supply services	33,320	59,713	61,053
Capital additions and improvements	10,576	16,810	14,117
Support of tenants and satellites	33,032	47,064	48,136
Support of reserve industrial capacity	9,035	10,980	11,400
Other revenue	81,386	82,254	86,945
Total revenue	694,244	700,554	721,955
Expense:			
Direct costs incurred:			
Labor	196,899	197,236	207,455
Material used	69,828	84,520	94,728
Contractual services	128,613	128,126	117,378
Other direct costs	32,907	34,379	36,098
Total direct costs	428,247	444,261	455,659
Indirect costs incurred:			
Manufacturing expense	155,692	153,283	155,207
General and administrative expense	106,496	107,132	110,409
Goods manufactured for inventory (—)	—590	—517	—516
Cost of goods and services produced	689,845	704,159	720,759
Increase (—) or decrease in unbilled costs	8,755	—3,605	1,196
Cost of goods and services sold	698,600	700,554	721,955
Net loss (—) for the year	—4,356		
Analysis of retained earnings or deficit (—):			
Retained earnings or deficit (—), beginning of year	1,867	—1,726	—1,726
Adjustment of prior year revenue	347		
Adjustment of prior year expense	416		
Deficit (—), end of year	—1,726	—1,726	—1,726

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury	179,490	179,490	179,490
Accounts receivable, net	38,090	29,918	31,431
Inventories:			
Work in process	68,831	70,200	68,695
Less progress billings	5,455	3,220	2,911
Net unbilled costs	63,376	66,980	65,784
Materials and supplies	33,964	30,119	30,888
Net inventories	97,340	97,099	96,672
Advances	356	331	332
Deferred charges	181	29	29
Total assets	315,457	306,869	307,954

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current	86,219	81,953	82,990
Advances from non-Federal sources	352	221	196
Provision for subsequent maintenance, claims, etc.	1,376	1,236	1,309
Total liabilities	87,947	83,410	84,495
Government investment:			
Non-interest-bearing capital:			
Start of year	221,138	229,236	225,185
Assets capitalized	11,460		
Material and supplies transferred to National Aeronautics and Space Administration (42 U.S.C. 2473)		—6,625	
Liabilities assumed (—) or cancelled, net	—3,362	2,574	
End of year	229,236	225,185	225,185
Deficit (—)	—1,726	—1,726	—1,726
Total Government investment	227,510	223,459	223,459

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury	186,620	179,490	179,490	179,490
Unfilled military assistance orders	5,110	469	669	369
Total unexpended balance	191,730	179,959	180,159	179,859
Obligated balance, net:				
Current liabilities	73,109	86,219	81,953	82,990
Advances from non-Federal sources	413	352	221	196
Unpaid undelivered orders	80,381	108,222	97,252	96,006
Accounts receivable and deferred charges, net (—)	—12,682	—38,271	—29,947	—31,460
Unbilled balance of customer orders (—)	—390,074	—424,926	—387,157	—350,522
Total obligated balance	—248,853	—268,404	—237,678	—202,790
Unobligated balance	440,583	448,363	417,837	382,649

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Total personnel compensation:			
Permanent positions	360,348	360,977	358,689
Positions other than permanent	1,705	1,558	1,514
Other personnel compensation	17,315	12,691	11,560
Add excess of annual leave earned over leave taken	3,492		645
Deduct excess of annual leave taken over leave earned		2,434	
Total personnel compensation	382,860	372,792	372,408
12 Personnel benefits	24,654	27,798	28,638
21 Travel and transportation of persons	8,907	9,045	9,180
22 Transportation of things	3,253	3,475	3,587
23 Rent, communications, and utilities	10,762	12,949	13,223
24 Printing and reproduction	350	380	389
25 Other services	154,292	153,477	158,119
26 Supplies and materials	93,680	110,704	119,727
31 Equipment	10,979	13,680	15,989
32 Lands and structures	385	200	190
41 Grants, subsidies, and contributions	4	5	5
Total costs	690,126	704,505	721,455
Increase or decrease (—) in unpaid undelivered orders and advances made	26,895	—10,993	—1,247
Total obligations	717,021	693,512	720,208

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	61,804	60,122	60,090
Full-time equivalent of other positions.....	504	421	383
Average number of all employees.....	59,495	58,167	58,107
Number of employees at end of year.....	61,747	57,957	58,151
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,271	\$6,725	\$6,748
Average salary of ungraded positions.....	\$5,608	\$5,641	\$5,641

NAVY INDUSTRIAL FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Cost of goods and services produced:			
Printing.....	12,548	13,600	14,200
Ordnance.....	167,878	176,200	145,700
Shipyards.....	879,481	895,000	891,500
Military Sea Transportation Service.....	359,386	356,000	352,000
Marine Corps clothing and equipment.....	5,564	6,000	5,700
Research.....	80,336	84,000	78,000
Base services.....	33,417	38,000	41,000
Aircraft maintenance.....	19,650	20,500	19,200
Total cost of goods and services produced.....	1,558,260	1,589,300	1,547,300
Adjustment of prior year expense.....	-3,943		
Total program costs.....	1,554,317	1,589,300	1,547,300
Relation of costs to obligations: Costs financed from obligations of other years, net (-)			
	-10,401	-33,404	-69,842
Total obligations.....	1,543,916	1,555,896	1,477,458
Financing:			
Amounts becoming available: Customer orders received:			
Printing.....	12,762	13,283	14,210
Ordnance.....	150,764	130,915	132,769
Shipyards.....	919,231	860,560	891,300
Military Sea Transportation Service.....	356,819	355,500	352,100
Marine Corps clothing and equipment.....	3,729	6,528	5,668
Research.....	85,704	66,332	67,769
Base services.....	33,790	38,072	41,000
Aircraft maintenance.....	19,508	20,384	19,200
Total amounts becoming available.....	1,582,307	1,491,574	1,524,016
Unobligated balance brought forward.....	779,730	818,122	753,800
Total amounts available.....	2,362,038	2,309,696	2,277,816
Unobligated balance carried forward.....	-818,122	-753,800	-800,358
Financing applied to program.....	1,543,916	1,555,896	1,477,458

This fund finances 62 industrial and commercial type activities on a reimbursable basis (5 U.S.C. 172d).

Budget program—Printing.—This program covers 31 plants, including 6 overseas, which provide common printing services at the seat of Government and throughout the field establishment. Costs increase in 1961 and 1962 due to increased workload, increased wages, the addition of two plants during 1961, and the increase in local printing of departmental forms. Printing prices have been revised to agree with the improved and more definitive cost process structure effected in 1961.

Ordnance.—This program includes nine plants performing work relating to missile launchers, propellants, torpedoes, avionics equipment, guns and mounts, and other items of ordnance and ammunition. Costs are expected to increase in 1961 by \$8 million primarily because one

activity was financed under the fund for only a part of 1960. The 1962 decrease of \$30 million results from the phasing out of industrial operations at the Naval Weapons Plant, Washington, D.C. Costs for 1962 at other plants are expected to approximate those of 1961.

Shipyards.—The estimates include 11 shipyards and 1 ship repair facility engaged in the construction, conversion, overhaul, repair, and alteration of active and reserve fleet vessels. Consideration is being given to the feasibility of reducing the number of shipyards. Cost of goods and services produced is expected to increase by \$15 million in 1961 over 1960. The increases are primarily due to greater workload in the overhaul and repair programs, and wage and salary increases.

Military Sea Transportation Service.—This organization provides ocean transportation of dry cargo, passengers, and petroleum. Estimates reflect costs of operating Government-owned ships and procuring commercial transportation. Revenue is received from billings to customers on the basis of published tariff rates for point-to-point lift, on a per diem basis for use of ships, or on the basis of costs applied. Costs decline in 1961 due to a continuing decline in passenger operations and reduced operations of petroleum and per diem ships, offset by a slight increase in cargo lift. A further decline of costs is planned in 1962 due to a leveling-off of cargo operations and reduced passenger lift, offset by an increase in project ship operations.

The following is a summary of estimated workload and costs (dollars in thousands):

	1960 actual	1961 estimate	1962 estimate
Cargo ships:			
Measurement tons (cargo).....	10,581,079	10,962,304	10,797,718
Per diem ship-days.....	5,917	4,173	4,173
Cost.....	\$210,507	\$215,700	\$215,100
Passenger ships:			
Cabin passengers.....	146,858	130,387	117,713
Troop passengers.....	258,746	239,701	234,077
Total passengers.....	405,604	370,088	351,790
Per diem ship-days.....	80		
Cost.....	\$59,516	\$51,200	\$46,900
Petroleum ships:			
Long tons (petroleum).....	14,415,555	14,218,305	14,903,864
Per diem ship-days.....	1,870	1,041	1,041
Cost.....	\$80,501	\$79,200	\$78,700
Project ships and miscellaneous:			
Per diem ship-days.....	1,641	3,285	4,379
Cost (reimbursable).....	\$8,112	\$9,900	\$11,300
Total costs.....	\$358,636	\$356,000	\$352,000

Cargo operations indicate a leveling-off slightly above the 1960 level. Passenger lift continues to decline in accord with the Department of Defense policy to transport more passengers by air.

Marine Corps clothing and equipment.—This factory in Philadelphia serves as a pilot production plant to test design specifications and production methods. It also manufactures some clothing and textile items, particularly those of a short notice or small lot nature, and it establishes material usage allowances for clothing and equipment production. Workload during 1961 and 1962 is expected to be slightly above the 1960 level.

Research.—This includes the Naval Research Laboratory, the David Taylor Model Basin, and the Naval Ordnance Laboratory, Corona, Calif. Significant items contributing to the cost increase in 1961 are the classified pay raise, additional facilities being placed in operation, and an overall increased effort in research programs. The

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVY INDUSTRIAL FUND—Continued

net decrease in costs of \$6 million in 1962 in comparison to 1961 results primarily from estimated decreases in contractual services at the Naval Research Laboratory and decreases in materials used at the David Taylor Model Basin and Naval Research Laboratory.

Base services.—This includes three public works centers providing utility, maintenance, custodial, and transportation services, and one transportation center providing transportation and vehicle repair for adjacent commands. Costs increase in 1961 and 1962 by \$5 million and \$8 million over 1960, respectively, due to increased workload resulting from the consolidation of all public works type functions at naval complexes with public works centers in the area. Savings and improved operations through better utilization of both equipment and manpower will result.

Aircraft maintenance.—This activity at the Quonset Point Naval Air Station is financed in the industrial fund on a test basis. It reworks aircraft, missiles, and accessories, and manufactures aircraft parts and assemblies. An evaluation currently underway will determine the desirability of continuing industrial fund financing of this activity.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Materials and supplies.....	102,193	93,569	91,569	90,569
Advances and deferred charges..	6,435	6,216	3,216	2,916
Provision for subsequent maintenance, claims, etc. (—).....	-17,580	-15,466	-14,566	-14,766
Unpaid undelivered orders.....	288,726	284,756	254,946	186,604
Total selected resources at end of year.....	379,774	369,075	335,165	265,323
Selected resources at start of year (—).....	-379,774	-369,075	-335,165	-335,165
Decrease (—) in selected resources.....	-10,699	-33,910	-69,842	-69,842
Materials and supplies capitalized (—).....	-435	-37	-	-
Liabilities assumed: Accrued leave.....	733	543	-	-
Costs financed from obligations of other years, net (—).....	-10,401	-33,404	-69,842	-69,842

Costs exceeded obligations by \$10.4 million in 1960 and are expected to exceed obligations by \$33.4 million in 1961 and by \$69.8 million in 1962. This reflects the continued decrease in unpaid, undelivered orders which are primarily long-term Military Sea Transportation Service contracts with commercial shippers.

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 are expected to decrease by \$90.7 million in 1961 and \$58.3 million in 1962 as compared to the \$1,582.3 million received in 1960. Major reductions occur in the ordnance, shipyard, and research programs. The decrease in ordnance results primarily from the phasing out of industrial operations at the Naval Weapons Plant. Shipyard decreases in 1961 relate primarily to reduced orders for shipbuilding work, offset by increases in orders for overhaul and repair work; increased orders in 1962 relate primarily

to Polaris shipbuilding. The decrease in research reflects estimated reductions in new orders to be received by the Naval Research Laboratory from the Goddard Space Flight Center.

Operating results and financial condition.—The following table presents 1960 revenue and expense by activity (in thousands of dollars):

	Revenue	Expense	Gain or loss (—)
Printing.....	12,777	12,790	-13
Ordnance.....	169,582	168,773	809
Shipyards.....	913,286	913,752	-466
Military Sea Transportation Service.....	355,783	359,386	-3,603
Marine Corps clothing and equipment..	5,380	5,329	51
Research.....	79,570	79,528	42
Base services.....	33,706	33,512	194
Aircraft maintenance.....	19,483	19,622	-139
Total.....	1,589,567	1,592,692	-3,125

Retained earnings increased \$0.9 million in 1960, the net of \$3.1 million operating loss for the year plus \$4.0 million in adjustments of prior-year revenues and expenses. Revenue is expected to fall slightly below the 1960 level in both 1961 and 1962, as installation working capital balances achieve proper levels. Measures are being taken to assure break-even operations at the installations where gains or losses in significant amounts were recorded in 1960. As a result of adjustments in working capital balances, expenditures will exceed collections by \$10 million in 1961 but will be \$15 million less than collections in 1962. In 1960 collections were \$14.5 million greater than expenditures, reflecting primarily a decrease in amounts receivable from customers. Employee annual leave accruals, included in the statements as a current liability, were \$70.3 million as of June 30, 1960. Total Government investment at June 30, 1962, is expected to be \$290.1 million, the net of \$303.1 million in reappropriations and \$22.6 million in retained earnings, less \$35.6 million representing the excess of liabilities assumed over assets capitalized. Of this total \$260.4 million covers working capital requirements of the activities currently financed through the fund. The balance of \$29.7 million is available for contingent requirements.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies.....	309,951	322,263	312,300
Costs, less materials and supplies used.....	1,239,250	1,265,000	1,234,000
Liabilities assumed: Accrued leave.....	733	543	-
Adjustment of prior year expense.....	-3,943	-	-
Increase (—) or decrease in current liabilities.....	8,707	-1,306	1,200
Increase (—) or decrease in provision for subsequent maintenance, claims, etc.....	2,114	900	-200
Decrease (—) in advances made.....	-209	-	-
Decrease (—) in deferred charges.....	-11	-3,000	-300
Total gross expenditures.....	1,556,592	1,584,400	1,547,000
Receipts from operations (funds provided):			
Revenue.....	1,589,567	1,555,000	1,562,000
Adjustment of prior year revenue.....	85	-	-
Increase (—) or decrease in accounts receivable.....	-19,011	19,300	-
Increase or decrease (—) in advances from non-Federal sources.....	-763	100	-
Increase in billings for unterminated voyages.....	1,187	-	-
Total receipts from operations.....	1,571,065	1,574,400	1,562,000
Budget expenditures.....	-14,473	10,000	-15,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)				Status of Certain Fund Balances (in thousands of dollars)				
	1960 actual	1961 estimate	1962 estimate		1959 actual	1960 actual	1961 estimate	1962 estimate
Revenue:				Unexpended balance: Cash with Treasury	133,503	147,976	137,976	152,976
Manufacturing and assembly	133,862	144,000	133,000	Obligated balance, net:				
Overhaul and repair	400,644	390,000	404,000	Current liabilities	151,194	142,487	143,793	142,593
Construction and conversion of ships	415,849	383,000	394,000	Advances from non-Federal sources	2,171	1,409	1,508	1,508
Research and development	105,860	110,000	103,000	Unpaid undelivered orders	288,726	284,756	254,946	186,604
Receipt, stowage, and issue of ammunition	1,814	1,600	1,600	Accounts receivable, net (-)	-86,276	-105,288	-85,988	-85,988
Transportation	356,558	357,000	355,000	Unbilled balance of customer orders (-)	-1,002,041	-993,510	-930,085	-892,101
Utilities and sanitation services	9,887	10,800	10,800	Total obligated balance	-646,227	-670,146	-615,824	-647,382
Printing	12,416	12,900	13,700	Unobligated balance	779,730	818,122	753,800	800,358
Supply services	32,281	31,000	30,000					
Capital additions and improvements	3,348	3,000	3,000					
Support of reserve industrial capacity	1,444	850	600					
Other revenue	115,604	110,850	113,300					
Total revenue	1,589,567	1,555,000	1,562,000					
Expense:				Object Classification (in thousands of dollars)				
Direct costs incurred:					1960 actual	1961 estimate	1962 estimate	
Labor	535,787	555,000	546,000	11 Personnel compensation:				
Material used	268,620	273,000	265,000	Permanent positions	773,926	807,943	795,240	
Contractual services	319,836	318,000	307,000	Positions other than permanent	1,910	2,305	1,701	
Other direct costs	9,770	9,000	9,000	Other personnel compensation	58,986	44,459	38,184	
Total direct costs	1,134,013	1,155,000	1,127,000	Add excess of annual leave earned over leave taken	763			
Indirect costs incurred:				Deduct excess of annual leave taken over leave earned		319	464	
Manufacturing expense	170,590	168,000	160,000	Total personnel compensation	835,585	854,388	834,661	
General and administrative expense	265,624	278,000	272,000	12 Personnel benefits	53,991	62,303	60,727	
Goods manufactured for inventory (-)	-11,967	-11,700	-11,700	21 Travel and transportation of persons	4,866	5,161	4,978	
Cost of goods and services produced	1,558,260	1,589,300	1,547,300	22 Transportation of things	3,060	2,937	2,931	
Increase (-) or decrease in unbilled costs	34,432	-34,300	14,700	23 Rent, communications, and utilities	21,880	23,007	22,687	
Cost of goods and services sold	1,592,692	1,555,000	1,562,000	24 Printing and reproduction	1,437	1,486	1,461	
Net loss (-) for the year	-3,125			25 Other services	319,786	318,585	310,347	
Analysis of retained earnings:				26 Supplies and materials	302,963	313,540	303,788	
Retained earnings, beginning of year	21,685	22,588	22,588	31 Equipment	4,526	4,299	4,220	
Adjustment of prior year revenue	85			Total accrued expenditures	1,548,094	1,585,706	1,545,800	
Adjustment of prior year expense	3,943			Decrease (-) in unpaid undelivered orders and advances made	-4,178	-29,810	-68,342	
Retained earnings, end of year	22,588	22,588	22,588	Total obligations	1,543,916	1,555,896	1,477,458	
Financial Condition (in thousands of dollars)				Personnel Summary				
Assets:				Total number of permanent positions	141,104	139,353	138,143	
Cash with Treasury	147,976	137,976	152,976	Full-time equivalent of other positions	264	334	206	
Accounts receivable, net	105,288	85,988	85,988	Average number of all employees	135,507	136,848	135,899	
Inventories:				Number of employees at end of year	135,835	131,551	131,530	
Work in process	132,771	149,927	134,927	Average GS grade	6.8	6.8	6.8	
Less progress billings	31,144	14,000	13,700	Average GS salary	\$5,815	\$6,254	\$6,258	
Net unbilled costs	101,627	135,927	121,227	Average salary of ungraded positions	\$5,708	\$5,851	\$5,854	
Materials and supplies	93,569	91,569	90,569					
Net inventories	195,196	227,496	211,796					
Advances	603	603	603					
Deferred charges	5,613	2,613	2,313					
Total assets	454,675	454,675	453,675					
Liabilities:				AIR FORCE INDUSTRIAL FUND				
Current	142,487	143,793	142,593	Program and Financing (in thousands of dollars)				
Advances from non-Federal sources	1,409	1,508	1,508		1960 actual	1961 estimate	1962 estimate	
Billings for unexpired voyages	4,700	4,700	4,700	Program by activities:				
Provision for subsequent maintenance, claims, etc.	15,466	14,566	14,766	Cost of goods and services produced:				
Total liabilities	164,061	164,567	163,567	Printing and duplicating	8,659	8,984	9,064	
Government investment:				Laundry and dry cleaning	7,605	7,405	7,223	
Non-interest-bearing capital:				Military Air Transport Service	275,553	320,700	326,000	
Start of year	268,324	268,026	267,520	Total cost of goods and services produced	291,817	337,089	342,287	
Assets capitalized	435	37		Adjustment of prior year expense	3,659			
Liabilities assumed (-)	-733	-543		Total program costs	295,476	337,089	342,287	
End of year	268,026	267,520	267,520					
Retained earnings	22,588	22,588						
Total Government investment	290,615	290,108	290,108					

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE INDUSTRIAL FUND—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—667	
Obligations incurred for costs of other years, net	2,839		8
Total obligations	298,315	336,422	342,295
Financing:			
Amounts becoming available: Customer orders received:			
Printing and duplicating	8,648	8,984	9,064
Laundry and dry cleaning	7,771	7,405	7,223
Military Air Transport Service	287,523	320,700	326,000
Total amounts becoming available	303,942	337,089	342,287
Unobligated balance brought forward	73,197	67,211	66,061
Total amounts available	377,139	404,300	408,348
Payment of earnings to Treasury (—):			
72 Stat. 729	—1,613		
73 Stat. 383	—10,000	—1,817	
Unobligated balance carried forward	—67,211	—66,061	—66,053
Financing applied to program	298,315	336,422	342,295

This fund finances industrial and commercial type activities on a reimbursable basis (5 U.S.C. 172d).

Budget program—Printing and duplicating service.—This program covers nine printing and duplicating plants. Production in 1960 was approximately 2.2 billion printing units and is estimated to increase to 2.3 billion in 1961 and 1962. The increased production is due to a further consolidation of duplicating workload into the printing plants and increased productivity per press unit due to upgrading of equipment.

Laundry and dry cleaning service.—At June 30, 1960, there were 48 plants operating under this fund. Two plants will be deactivated and one transferred to Department of the Army during 1961 leaving 45 plants operating on June 30, 1962. Total production in 1962 is estimated at approximately 103.2 million pieces of laundry and dry cleaning as compared with 103.3 million for 1961 and 107.1 million for 1960.

Military Air Transport Service.—The airlift service portion of the Military Air Transport Service was covered under this fund on July 1, 1958. The size of MATS and the extent and nature of its operations are keyed to approved military wartime airlift requirements. These requirements include (1) the hard-core requirements which, because of their nature or timing, must move in military operated aircraft and (2) civil eligible requirements for which military airlift is used only to the extent that civil airlift capability is not available.

The airlift capability produced by exercising the airlift system is used in the interests of economy in meeting peacetime airlift needs of the Department of Defense. Military aircraft are utilized to provide for air evacuation of patients; special air missions; training of airborne troops; and augmented by commercial aircraft, for common-user airlift of passengers, cargo, and mail. Airlift service workload and operating data are as follows:

	1960 actual	1961 estimate	1962 estimate
Operating aircraft, average number:			
Common-user	431	406	393
Other	92	82	81
Total	523	488	474

[In millions of ton-miles]

	1960 actual	1961 estimate	1962 estimate
Airlift accomplished (common-user):			
Cargo	553.6	503.7	501.9
Passenger	391.5	402.9	404.4
Special assignment airlift	306.9	329.5	259.6

Relation of costs to obligations.—The relationship of costs to obligations is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Materials and supplies	893	828	865	873
Advances: Other than Government agencies	23	65	65	65
Unpaid undelivered orders	12,816	15,704	15,000	15,000
Total selected resources at end of year	13,732	16,597	15,930	15,938
Selected resources at start of year (—)	—13,732	—16,597	—15,930	
Increase or decrease (—) in selected resources		2,865	—667	8
Materials and supplies capitalized (—)		—5		
Liabilities assumed: Accrued leave (—)		—21		
Costs financed from obligations of other years, net (—)			—667	
Obligations incurred for costs of other years, net		2,839		8

The unpaid undelivered orders in the estimates for 1961 and 1962 reflect continuation of fixed annual contracts for commercial airlift which are effective until September 30 of each year.

Financing the budget program.—This program is financed by customer orders for services. These orders constitute valid obligations of the ordering appropriations and authorize activities financed through the fund to provide services requested. Costs are charged initially to the working capital of the fund and are billed to customers on the basis of established tariff rates for services provided.

Operating results and financial condition.—For 1960 revenues exceeded expenses by \$12 million, mainly as a result of the operation of the airlift service. The \$11.8 million by which revenues of the airlift service in 1960 exceeded expenses has been returned to the Treasury. This amount represented a part of the \$20.9 million difference between the \$64.1 million commercial airlift purchased in 1960 and the \$85 million which, under section 631 of the 1960 appropriation act (73 Stat. 383), was available only for procurement of commercial air transportation service. The balance of \$9.1 million has been returned to the Treasury from the unobligated balances remaining in various user appropriations.

Collections exceeded expenditures by \$10.4 million in 1960, primarily due to the excess of revenues over expenses of the airlift service. It is estimated that collections will exceed expenditures by \$14.2 million in 1961 primarily as a result of reducing the accounts receivable. Collections and expenditures are expected to be equal in 1962.

Employee annual leave accruals, included in the statements as a current liability, were \$2 million at June 30, 1960. Government investment is estimated at \$82 million at June 30, 1962, consisting of \$81 million in reappropriation

tions and transfers and \$1.8 million in retained earnings less \$0.8 million representing the excess of liabilities assumed over assets capitalized. Of this total \$65 million covers working capital requirements of the activities currently financed through the fund. The balance of \$17 million is available for contingent requirements.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of materials and supplies.....	92,745	93,009	93,028
Costs, less materials and supplies used.....	199,002	244,117	249,267
Liabilities assumed: Accrued leave.....	-21		
Adjustment of prior year expense.....	3,659		
Increase (-) or decrease in current liabilities.....	-14,729	-4,357	393
Decrease in deferred credits.....	1,797		
Increase in advances made.....	42		
Total gross expenditures.....	282,495	332,769	342,688
Receipts from operations (funds provided):			
Revenue.....	303,757	337,089	342,287
Adjustment of prior year revenue.....	154		
Decrease in deferred charges.....	1,764		
Increase (-) or decrease in accounts receivable.....	-12,736	9,896	401
Total receipts from operations.....	292,939	346,985	342,688
Budget expenditures.....	-10,443	-14,216	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Printing and duplicating:			
Revenue.....	8,617	8,984	9,064
Expense.....	8,628	8,984	9,064
Net loss (-).....	-11		
Laundry and dry cleaning:			
Revenue.....	7,771	7,405	7,223
Expense.....	7,605	7,405	7,223
Net income.....	166		
Military Air Transport Service:			
Revenue.....	287,369	320,700	326,000
Expense.....	275,552	320,700	326,000
Net income.....	11,817		
Total income for the year.....	11,972		
Analysis of retained earnings:			
Retained earnings, beginning of year.....	6,787	3,641	1,824
Adjustment of prior year revenue.....	154		
Adjustment of prior year expense.....	-3,659		
Payment of earnings to Treasury (-):			
72 Stat. 729.....	-1,613		
73 Stat. 383.....	-10,000	-1,817	
Retained earnings, end of year.....	3,641	1,824	1,824

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	41,557	53,956	53,956
Accounts receivable, net.....	75,771	65,875	65,474
Inventories:			
Work in process.....	164	164	164
Materials and supplies.....	828	865	873
Net inventories.....	992	1,029	1,037
Advances.....	65	65	65
Deferred charges.....	1,024	1,024	1,024
Total assets.....	119,409	121,949	121,556

Financial Condition (in thousands of dollars) Continued

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current.....	34,912	39,269	38,876
Deferred credits.....	689	689	689
Total liabilities.....	35,601	39,958	39,565
Government investment:			
Non-interest-bearing capital:			
Start of year.....	80,141	80,167	80,167
Assets capitalized.....	5		
Liabilities canceled.....	21		
End of year.....	80,167	80,167	80,167
Retained earnings.....	3,641	1,824	1,824
Total Government investment.....	83,808	81,991	81,991

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	42,726	41,557	53,956	53,956
Obligated balance, net:				
Current liabilities.....	20,183	34,912	39,269	38,876
Deferred credits.....	2,486	689	689	689
Unpaid undelivered orders.....	12,816	15,704	15,000	15,000
Accounts receivable, net (-).....	-63,036	-75,771	-65,875	-65,474
Deferred charges (-).....	-2,788	-1,024	-1,024	-1,024
Unbilled balance of customer orders (-).....	-132	-164	-164	-164
Total obligated balance.....	-30,471	-25,654	-12,105	-12,097
Unobligated balance.....	73,197	67,211	66,061	66,053

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	20,551	20,144	20,621
Positions other than permanent.....	434	426	419
Other personnel compensation.....	1,183	982	855
Add excess of annual leave earned over leave taken.....		167	11
Deduct excess of annual leave taken over leave earned.....	14		
Total personnel compensation.....	22,154	21,719	21,906
12 Personnel benefits.....	1,530	1,785	1,790
21 Travel and transportation of persons.....	6,948	6,793	6,748
22 Transportation of things.....	61	42	44
23 Rent, communications, and utilities.....	2,816	2,834	2,866
24 Printing and reproduction.....	137	137	137
25 Other services:			
Labor contracts with foreign governments ¹	2,629	2,453	2,392
Other.....	166,311	208,313	213,343
26 Supplies and materials.....	92,745	93,009	93,028
41 Grants, subsidies, and contributions.....	54	41	41
Total accrued expenditures.....	295,385	337,126	342,295
Increase or decrease (-) in unpaid undelivered orders and advances made.....	2,930	-704	
Total obligations.....	298,315	336,422	342,295

¹ Average number of persons: 1960, 1,865; 1961, 1,761; 1962, 1,708.

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

AIR FORCE INDUSTRIAL FUND—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	5,138	4,896	4,908
Full-time equivalent of other positions.....	189	182	179
Average number of all employees.....	4,937	4,824	4,871
Number of employees at end of year.....	4,860	4,940	5,017
Average GS grade.....	4.7	4.8	4.7
Average GS salary.....	\$4,425	\$4,866	\$4,874
Average salary of ungraded positions.....	\$4,269	\$4,204	\$4,204

ARMY MANAGEMENT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Defense telephone service, Washington, D.C.....	6,316	6,528	6,771
2. Transportation services.....	244,487	248,891	248,891
3. Construction activity, Europe.....	1,911	923	409
4. Interchange fleet.....	1,291	1,318	1,540
Total obligations.....	254,005	257,660	257,611
Financing:			
Unobligated balance brought forward.....	1,073	1,852	1,000
Advances and reimbursements from—			
Other accounts.....	253,083	255,462	256,071
Non-Federal sources (69 Stat. 350; 63 Stat. 578).....	1,701	1,346	1,540
Unobligated balance carried forward.....	-1,852	-1,000	-1,000
Total financing.....	254,005	257,660	257,611

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 Army.

3. *Construction activity, Europe*, finances certain administrative and overhead expense of the Department of Defense construction programs in Western Europe.

4. *Interchange fleet* maintenance costs, including repairs and overhauls, are financed by non-Federal revenue from railway carriers in the form of mileage payments for the use of Government-owned cars of the fleet, and from commercial contractors for car rentals.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,291	973	826
Other personnel compensation.....	17	12	9
Total personnel compensation.....	1,308	985	835

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	288	157	121
21 Travel and transportation of persons.....	30,943	31,131	31,121
22 Transportation of things.....	213,587	217,861	217,923
23 Rent, communications, and utilities.....	5,694	5,750	5,916
24 Printing and reproduction.....	212	188	177
25 Other services.....	1,960	1,583	1,515
26 Supplies and materials.....	10	4	2
31 Equipment.....	1	1	1
44 Refunds.....	2		
Total obligations.....	254,005	257,660	257,611

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	242	178	147
Average number of all employees.....	211	160	144
Number of employees at end of year.....	176	149	142
Average GS grade.....	6.9	6.0	5.2
Average GS salary.....	\$6,032	\$6,008	\$5,696

NAVY MANAGEMENT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Electronic production resources agency.....	266	341	334
2. Interdepartmental activities.....	651	1,933	1,115
3. Inspection of naval material.....	29,686	33,549	33,935
4. Departmental administrative services.....	2,693	2,844	2,844
5. Incentive awards.....	1,935	2,100	2,100
6. Transportation of things.....	183,438	183,000	190,000
7. Spanish base construction.....	6,569	8,400	13,000
8. Special projects.....	985,957	1,421,771	1,456,400
Total obligations.....	1,211,194	1,653,938	1,699,728
Financing:			
Unobligated balance brought forward.....	199,711	220,777	63,412
Advances and reimbursements from—			
Other accounts.....	1,232,306	1,496,553	1,701,740
Non-Federal sources (22 U.S.C. 1816).....	16	20	20
Unobligated balance carried forward.....	-220,777	-63,412	-65,444
Unobligated balance lapsing.....	-63		
Total financing.....	1,211,194	1,653,938	1,699,728

This fund was created to facilitate the financing of operations supported by two or more appropriations (5 U.S.C. 172e). The principal activity financed through the fund is the Polaris ballistic missile program. Reimbursable orders for the Polaris program are issued to the fund from Navy appropriations for procurement, operation and maintenance, and research, development, test, and evaluation. Other 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, materials and equipment of the Navy; the Electronics Production Resources Agency which coordinates the production and allocation of electronics equipment for the Department of Defense; and certain interdepartmental activities involving the Navy and either or both of the other military departments.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
NAVY			
11 Personnel compensation:			
Permanent positions.....	39,839	44,826	45,177
Positions other than permanent.....	30	39	41
Other personnel compensation.....	3,271	3,214	3,091
Total personnel compensation.....	43,140	48,079	48,309
12 Personnel benefits.....	5,849	7,113	7,164
21 Travel and transportation of persons.....	2,030	2,150	2,316
22 Transportation of things.....	186,586	187,569	194,643
23 Rent, communications, and utilities.....	3,305	3,798	3,404
24 Printing and reproduction.....	369	719	709
25 Other services.....	420,102	517,432	555,619
26 Supplies and materials.....	201,616	357,181	357,866
31 Equipment.....	312,395	503,789	503,833
32 Lands and structures.....	21,023	20,934	25,865
41 Grants, subsidies, and contributions.....	488		
Total, Navy.....	1,196,903	1,648,764	1,699,728
ALLOCATION TO ATOMIC ENERGY COMMISSION			
25 Other services.....	14,291	5,174	
Total obligations.....	1,211,194	1,653,938	1,699,728

Personnel Summary

Total number of permanent positions.....	7,432	7,137	6,985
Average number of all employees.....	6,682	6,860	6,844
Number of employees at end of year.....	6,986	7,062	6,981
Average GS grade.....	6.8	7.0	7.0
Average GS salary.....	\$5,749	\$6,323	\$6,347
Average salary of ungraded positions.....	\$5,436	\$5,567	\$5,591

AIR FORCE MANAGEMENT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Armed Forces Supply Support Center (total obligations).....	5,818	5,936	5,700
Financing:			
Unobligated balance brought forward.....	1,447	1,296	1,000
Recovery of prior year obligations.....	1,925		
Advances and reimbursements from other accounts.....	5,078	5,702	5,700
Unobligated balance carried forward.....	-1,296	-1,000	-1,000
Unobligated balance lapsing.....	-1,337	-62	
Total financing.....	5,818	5,936	5,700

This fund was created to facilitate the financing of activity supported by two or more appropriations (5 U.S.C. 172e). The corpus of the fund is \$1 million.

The Armed Forces Supply Support Center administers the defense standardization program, the interservice supply support program, the defense materiel utilization and excess screening program and centralized operations for the Federal Catalog System. The Center also conducts management analyses in promoting more effective administration of common supply functions among the military services. This project is financed jointly through advances from the three military departments with certain cataloging services performed by the General Services Administration on a reimbursable basis.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,592	2,917	2,979
Other personnel compensation.....	81	81	70
Total personnel compensation.....	2,673	2,998	3,049
12 Personnel benefits.....	179	223	237
21 Travel and transportation of persons.....	65	65	65
22 Transportation of things.....	3	4	4
23 Rent, communications, and utilities.....	1,112	1,531	1,350
24 Printing and reproduction.....	592	567	563
25 Other services.....	994	366	251
26 Supplies and materials.....	128	128	128
31 Equipment.....	72	54	53
Total obligations.....	5,818	5,936	5,700

Personnel Summary

Total number of permanent positions.....	419	453	448
Average number of all employees.....	411	432	440
Number of employees at end of year.....	406	448	448
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$6,307	\$6,737	\$6,762

NAVAL WORKING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Other Government agencies.....	3,468	3,200	
2. Special deposits.....	23,138	20,750	20,950
3. Foreign governments.....	49	50	50
Total obligations.....	26,655	24,000	21,000
Financing:			
Unobligated balance brought forward.....	7,890	6,607	5,607
Advances and reimbursements from—			
Other accounts.....	3,096	3,200	
Non-Federal sources (31 U.S.C. 643).....	22,276	19,800	21,000
Unobligated balance carried forward.....	-6,607	-5,607	-5,607
Total financing.....	26,655	24,000	21,000

This fund was originally 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). Beginning in 1961 the cost of work or services furnished by the Navy to other Government agencies will be accounted for under the Operation and maintenance, Navy, appropriation. The private individuals and organizations involved advance amounts to cover the estimated costs to this fund, which amounts are then used to reimburse the Operation and maintenance, Navy, appropriation for the costs involved. These activities 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. Advances received from foreign governments are primarily for sales of material and miscellaneous services.

REVOLVING AND MANAGEMENT FUNDS—Con.

Intragovernmental funds—Continued

NAVAL WORKING FUND—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,683		
Other personnel compensation.....	118		
Total personnel compensation.....	1,801		
21 Travel and transportation of persons.....	176		
22 Transportation of things.....	206		
23 Rent, communications, and utilities.....	11,064		
24 Printing and reproduction.....	79		
25 Other services.....	8,460	24,000	21,000
26 Supplies and materials.....	4,461		
31 Equipment.....	96		
32 Lands and structures.....	282		
41 Grants, subsidies, and contributions.....	19		
44 Refunds.....	11		
Total obligations.....	26,655	24,000	21,000

Personnel Summary

Total number of permanent positions.....	541		
Average number of all employees.....	402		
Number of employees at end of year.....	387		
Average GS grade.....	5.3		
Average GS salary.....	\$4,892		
Average salary of ungraded positions.....	\$4,836		

CONSOLIDATED WORKING FUNDS, ARMY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Communication services:			
Treasury Department.....	2	5	5
Federal Aviation Agency.....	127	127	127
2. Construction: National Aeronautics and Space Administration.....	52	29	29
3. Extraordinary expense.....	1,783	2,750	2,388
4. Miscellaneous:			
Department of Commerce.....	178	115	115
National Security Agency.....	15	15	15
International Cooperation Administration.....		437	444
5. Procurement: Office of Civil and Defense Mobilization.....	48	452	
6. Research:			
National Institutes of Health.....	14	31	
Office of Civil and Defense Mobilization.....	555		
Total obligations.....	2,774	3,961	3,123
Financing:			
Unobligated balance brought forward.....	2,602	1,755	337
Advances and reimbursements from other accounts.....	1,927	2,547	2,988
Unobligated balance carried forward.....	-1,755	-337	-202
Unobligated balance lapsing.....	-1	-4	
Total financing.....	2,774	3,961	3,123

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	226	582	488
Other personnel compensation.....	17	20	2
Total personnel compensation.....	243	602	490

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	16	45	38
21 Travel and transportation of persons.....	1	1	1
23 Rent, communications, and utilities.....	132	137	137
25 Other services.....	1,134	1,972	1,535
26 Supplies and materials.....	655	527	505
31 Equipment.....	18	76	40
32 Lands and structures.....	575	601	377
Total obligations.....	2,774	3,961	3,123

Personnel Summary

Total number of permanent positions.....	42	86	73
Average number of all employees.....	38	84	70
Number of employees at end of year.....	29	86	68
Average GS grade.....	8.4	8.7	8.5
Average GS salary.....	\$6,873	\$7,085	\$7,011
Average salary of ungraded positions.....	\$4,471	\$4,471	\$4,471

CONSOLIDATED WORKING FUNDS, AIR FORCE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to National Aeronautics and Space Administration (total obligations) (object class 25).....	111	15	
Financing:			
Unobligated balance brought forward.....		15	
Advances and reimbursements from other accounts.....	126		
Unobligated balance carried forward.....	-15		
Total financing.....	111	15	

MILITARY ASSISTANCE

Current authorizations:

MILITARY ASSISTANCE

For expenses as authorized by section 103(a) of the Mutual Security Act of 1954, as amended, necessary to enable the President to carry out the purposes of chapter I of such Act (including administrative expenses as authorized by section 103(b) of such Act, which shall not exceed **[\$24,000,000]** \$25,000,000 for the current fiscal year, and purchase for replacement only of passenger motor vehicles for use outside the United States), \$1,800,000,000, to remain available until expended: *Provided, That unexpended balances of funds heretofore made available for purposes of chapter 1 of such Act, and available as of June 30, 1961, are hereby merged with this appropriation. (Mutual Security and Related Agencies Appropriation Act, 1961.)*

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grant aid operations:			
Reservations for requirements ordered from U.S. military services (69 Stat. 438):			
1. Aircraft.....	217,937	117,377	114,348
2. Ships.....	43,243	62,366	142,262
3. Tanks, other vehicles and weapons.....	164,247	152,327	160,962
4. Ammunition.....	6,143	66,878	67,768
5. Missiles.....	74,268	229,140	162,854
6. Electronic equipment.....	67,508	101,483	112,055

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Grant aid operations—Continued			
Reservations for requirements ordered from U.S. military services (69 Stat. 438)—Continued			
7. Military public works.....	1,145	13,063	13,895
8. Other.....	255,526	249,366	225,856
Subtotal.....	830,017	992,000	1,000,000
Obligations for requirements other than through reservations:			
1. Aircraft.....		93,000	175,000
9. Offshore procurement.....	93,721	74,803	64,700
10. Supply operations.....	132,392	149,849	140,500
11. Training.....	80,304	118,435	120,000
12. Administration.....	24,070	24,690	25,000
13. Contributions to international military headquarters and agencies.....	7,832	11,000	12,000
14. Contributions to construction of facilities in other countries:			
(a) Infrastructure.....	101,964	90,000	76,000
(b) Military public works.....	20,407	50,000	51,000
15. Research and development.....	35,505	32,000	32,000
16. Other activities.....	19,535	162,671	103,800
Subtotal.....	515,730	806,448	800,000
Total, grant aid operations.....	1,345,747	1,798,448	1,800,000
Sales operations:			
17. Reservations for requirements ordered from U.S. military services (69 Stat. 438).....	15,265		
18. Direct financing of sales.....	4,162	42,255	20,000
Total sales operations.....	19,427	42,255	20,000
Total program.....	1,365,174	1,840,703	1,820,000
Decrease in outstanding reservations for requirements ordered from military services (69 Stat. 438).....	240,299	54,834	54,600
Total obligations.....	1,605,473	1,895,537	1,874,600
Financing:			
Comparative transfers to other accounts.....	364	210	
Balance brought forward: Unobligated and unreserved:			
Grant aid.....	-30,607	-23,658	-25,000
Military sales receipts.....	-21,452	-27,255	-15,000
Recovery of prior year obligations.....	-7,176		
Collections of mutual security military sales.....	-25,969	-30,000	-20,000
Decrease (-) in outstanding reservations for requirements ordered from military services (69 Stat. 438).....	-240,299	-54,834	-54,600
Balance carried forward: Unobligated and unreserved:			
Grant aid.....	23,658	25,000	25,000
Military sales receipts.....	27,255	15,000	15,000
New obligational authority.....	1,331,247	1,800,000	1,800,000
New obligational authority:			
Appropriation.....	1,300,000	1,800,000	1,800,000
Transferred from "Contingencies," mutual security—economic and contingencies (69 Stat. 438).....	31,247		
Appropriation (adjusted).....	1,331,247	1,800,000	1,800,000

More than 40 free-world countries are receiving grant aid under this program, and others are eligible to buy military equipment on cash or credit terms. Their combined military forces are numerically much greater than the U.S. Armed Forces, and provide free world striking power, depth in reserves, and flexibility. Many of these countries have joined in regional defense pacts, such as NATO, SEATO, and CENTO, or in bilateral defense arrangements with the United States. Most of the U.S. contributions to these regional organizations are derived from military assistance program funds.

Most of the military equipment and supplies which the United States provides to its foreign allies are obtained by placing orders with the U.S. military services. Military assistance funds are reserved when the orders are placed, and the military services are paid when the items are delivered. When the materiel ordered is not on hand, the military services take procurement action in anticipation of reimbursement.

The kind of materiel supplied by the United States varies with our mutual security objective in each area and the internal capabilities of the individual countries. In Europe, the emphasis is on newer weapons which are not yet fully within the production or financial capability of our NATO allies. In less-developed areas, modernization of conventional equipment is emphasized. Whenever possible, materiel already on hand but excess to the needs of U.S. forces is supplied, at no charge to the military assistance program except for the cost of rehabilitation and transportation.

Grant aid operations: Reservations for requirements ordered from U.S. military services—

1. *Aircraft.*—In 1961 and 1962, aircraft will be funded partly through reservations and partly by direct obligations as shown above. Emphasis is to be placed on more advanced aircraft in NATO and selected Far Eastern countries. At the same time, the air forces of many less developed countries are replacing obsolete planes with later model aircraft, now becoming excess to the United States and NATO. Spare parts support as well as modifications of existing aircraft form a large part of the 1962 program.

2. *Ships.*—New construction of patrol, mine-sweeping and other type vessels are included in 1962. The 1962 program also reflects increased emphasis on cost-sharing arrangements under which the United States contributes 50% of the cost of constructing certain new ships, primarily in NATO countries. Reactivation and rehabilitation of ships from the U.S. "mothball" fleet continues to meet other naval requirements of our allies under authority of ship loan legislation, i.e., Public Law 86-482 (70A Stat. 452), Public Law 86-57 (70A Stat. 452), and Public Law 85-532 (70A Stat. 452).

3. *Tanks, other vehicles, and weapons.*—Included is combat and support equipment ranging from artillery, tanks, and other heavy vehicles to small arms and jeeps. Many of these items are supplied from existing U.S. stocks, and through a program of rebuilding vehicles which Far Eastern countries have returned to the military assistance program. The 1962 program includes continuing replacement of wornout or obsolete equipment in the forces of less-developed countries.

4. *Ammunition.*—Most of the ammunition to be supplied as grant aid in 1962 will be used for training allied troops.

5. *Missiles.*—Programing for modernization of forces with ballistic and other guided missiles, primarily in NATO, reaches a peak in 1961, but continues at a decreased level in 1962. In addition, the 1962 program

The military assistance program is designed to strengthen the mutual security of the free world by contributing to the development, maintenance, and training of modern military forces, to deter or resist external aggression, combat internal subversion, and protect valuable overseas military bases. Appropriations for 1962 were authorized in the Mutual Security Act of 1959.

MILITARY ASSISTANCE—Continued**Current authorizations—Continued****MILITARY ASSISTANCE—Continued**

provides for maintenance of equipment previously furnished.

6. *Electronic equipment.*—The 1962 program continues the modernization of military communications systems in less-developed countries and also provides ground control equipment in conjunction with guided missiles and modern aircraft, primarily in Europe.

7. *Military public works.*—Materiel and equipment supplied by the United States for military assistance construction are procured through the military service supply systems. Other U.S. costs for this construction are met initially by the military assistance program and are cited in paragraph 14 below.

8. *Other.*—A variety of special purpose equipment, petroleum, medical, and other supplies, and repair and rehabilitation of used equipment not covered above are provided through orders placed with the U.S. services.

Because of the timelag inherent in a complex, worldwide supply operation, a large proportion of the items delivered by the U.S. services in any year result from orders placed in previous years.

The following table reflects the unfilled orders placed with the military services in prior years, the new items ordered and the deliveries made (detail table appears on pp. 570–571).

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Unfilled orders at beginning of year...	1,735	1,495	1,440
New items ordered.....	845	992	1,000
Deliveries.....	1,085	1,047	1,054
Unfilled orders at end of year.....	1,495	1,440	1,386

Obligations for requirements other than through reservations—

9. *Offshore procurement.*—The reduction in the procurement of equipment and supplies abroad for the military assistance program reflects declining U.S. purchases in other industrial countries. U.S. overseas procurement in prior years helped these countries establish a defense production base, which they are now capable of maintaining as a source of supply for their own forces.

10. *Supply operations.*—The annual cost of packing, handling, storing, and transporting military assistance materiel varies in proportion to the types, volume, and destination of goods delivered.

11. *Training.*—Increased training programs in free-world countries are required to insure effective use of the new weapons and equipment supplied through the military assistance program.

12. *Administration.*—The administrative expenses of U.S. military assistance advisory groups overseas and the departmental costs of the program are included.

13. *Contributions to international military headquarters and agencies.*—Included are the assessments levied against the United States in accordance with cost-sharing agreements for administrative support of the North Atlantic Treaty Organization, Southeast Asia Treaty Organization, and the Central Treaty Organization.

14. *Contributions to construction of facilities in other countries.*—Included are (a) construction of military and logistical facilities under the jointly financed NATO infrastructure program, and (b) contract expenses, architect-engineering services and other overhead items for military assistance construction.

15. *Research and development.*—This program assists in the research and development of weapons by our allies and aids in combining their scientific capability with U.S. weapons technology.

16. *Other activities.*—These include U.S. support for rapidly expanding programs of coordinated weapons production in Europe and integrated NATO procurement of spare parts.

Sales operations—

Military materiel is purchased in the United States by many countries, including some which do not receive grant aid. Most sales on a credit basis are initially financed by military assistance appropriations. Depending on the circumstances, repayment of credit sales may be in dollars or in local currency.

The following table shows the repayments and their reuse for new credit sales (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Unused collections, beginning of year....	21.4	27.3	15.0
Collection of credit sales.....	26.0	30.0	20.0
Collections reused.....	20.1	42.3	20.0
Unused collections, end of year.....	27.3	15.0	15.0

Local currency repayments may be used to finance additional sales or grants of military assistance. It is anticipated that any local currency repayments used will be converted into dollars to finance additional credit sales. Dollar conversions so made are included in the above table.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Grant aid operations:			
DEPARTMENT OF DEFENSE— MILITARY			
Reservations:			
25 Other services.....	27,600	31,852	32,750
26 Supplies and materials.....	247,142	255,208	268,560
31 Equipment.....	555,275	704,940	698,690
Subtotal.....	830,017	992,000	1,000,000
Obligations:			
11 Personnel compensation:			
Permanent positions.....	20,054	22,271	22,104
Positions other than permanent.....	56	109	109
Other personnel compensation.....	3,918	4,303	4,033
Total personnel compensation.....	24,028	26,683	26,246
12 Personnel benefits.....	3,632	3,961	3,681
21 Travel and transportation of persons.....	36,732	52,056	46,838
22 Transportation of things.....	61,987	83,769	78,796
23 Rent, communications, and utilities.....	1,120	1,659	1,431
24 Printing and reproduction.....	189	254	260
25 Other services.....	153,679	319,978	407,721
26 Supplies and materials.....	35,046	42,674	41,824
31 Equipment.....	78,795	165,312	96,405
32 Lands and structures.....	365	422	398
41 Grants, subsidies, and contributions.....	108,673	99,723	86,600
Total, Department of Defense— Military.....	504,246	796,491	790,200
ALLOCATIONS TO OTHER AGENCIES			
11 Personnel compensation:			
Permanent positions.....	1,479	1,511	1,511
Positions other than permanent.....	15	5	5
Other personnel compensation.....	173	150	148
Total personnel compensation.....	1,667	1,666	1,664
12 Personnel benefits.....	73	60	61
21 Travel and transportation of persons.....	194	185	185

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Grant aid operations—Continued			
ALLOCATIONS TO OTHER AGENCIES— Continued			
22 Transportation of things.....	138	132	132
23 Rent, communications, and utilities.....	1,263	1,197	1,200
24 Printing and reproduction.....	9	5	5
25 Other services.....	5,093	4,817	4,660
26 Supplies and materials.....	1,475	855	855
31 Equipment.....	1,442	905	903
41 Grants, subsidies, and contributions.....	130	135	135
Total, allocations to other agencies.....	11,484	9,957	9,800
Total, grant aid operations.....	1,345,747	1,798,448	1,800,000
Sales operations:			
25 Other services.....	4,805	3,600	5,000
26 Supplies and materials.....	650	7,151	5,000
31 Equipment.....	13,972	31,504	10,000
Total, sales operations.....	19,427	42,255	20,000
Total program.....	1,365,174	1,840,703	1,820,000
Increase in outstanding reservations for require- ments ordered from military services (69 Stat. 438).....	240,299	54,834	54,600
Total obligations.....	1,605,473	1,895,537	1,874,600
Obligations are distributed as follows:			
Secretary of Defense.....	134,029	133,119	124,500
Army.....	711,338	746,108	732,300
Navy.....	180,524	225,864	207,600

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows—Con.			
Air Force.....	568,099	780,489	800,400
Department of State.....	6,649	6,774	6,700
International Cooperation Administration.....	4,834	3,183	3,100
Personnel Summary			
DEPARTMENT OF DEFENSE			
Total number of permanent positions.....	4,746	4,817	4,800
Full-time equivalent of other positions.....	6	10	10
Average number of all employees.....	4,433	4,582	4,700
Number of employees at end of year.....	4,240	4,317	4,500
Average GS grade.....	7.3	7.6	7.6
Average GS salary.....	\$6,143	\$6,763	\$6,862
ALLOCATIONS TO OTHER AGENCIES			
Total number of permanent positions.....	842	865	865
Full-time equivalent of other positions.....	10	3	3
Average number of all employees.....	755	793	792
Number of employees at end of year.....	759	828	828
Average grade established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign service reserve.....	4.4	4.3	4.3
Foreign service staff.....	10.9	10.9	10.9
Average salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Foreign service reserve.....	\$10,205	\$10,850	\$11,140
Foreign service staff.....	\$5,194	\$5,595	\$5,813
Average salary of ungraded positions.....	\$1,538	\$1,567	\$1,563

SUMMARY OF MILITARY ASSISTANCE ORDERS

[In thousands of dollars]

	Balance of reservations, July 1, 1959	1960 fund reservations	Adjustments, 1960	Deliveries in 1960	Balance of reservations, July 1, 1960	1961 fund reservations
Military personnel:						
Military personnel, Marine Corps.....	492	580		383	689	
Operation and maintenance:						
Operation and maintenance, Army.....	119,217	56,340	-23,949	77,365	74,243	60,800
Operation and maintenance, Navy.....	19,243	6,265		5,017	20,491	
Operation and maintenance, Marine Corps.....	8,971	5,574		4,850	9,695	
Operation and maintenance, Air Force.....	18,062	15,230	-4,592	27,979	721	32,000
Total, operation and maintenance.....	165,494	83,410	-28,542	115,211	105,151	92,800
Procurement:						
Procurement of equipment and missiles, Army.....	459,273	93,430	37,457	233,044	357,117	233,000
Procurement of aircraft and missiles, Navy.....						33,000
Shipbuilding and conversion, Navy.....	82,540	38,728		37,490	83,777	54,012
Other procurement, Navy.....						64,720
Procurement, Marine Corps.....	12,394		-472	2,348	9,574	201
Aircraft procurement, Air Force.....		235,568	9,932	85,639	159,861	117,500
Airlift modernization, Air Force.....						4,200
Missile procurement, Air Force.....		94,200		33,786	60,414	115,017
Other procurement, Air Force.....		30,160			30,160	53,000
Aircraft and related procurement, Navy.....	149,282		-10,862	47,445	90,975	
Procurement of ordnance and ammunition, Navy.....	56,967	21,193	11,333	11,089	78,404	
Aircraft, missiles and related procurement, Air Force.....	247,473		30,997	149,232	129,238	
Procurement other than aircraft and missiles, Air Force.....	300,282		-36,337	137,936	126,009	
Total, procurement.....	1,308,211	513,278	42,050	738,009	1,125,530	674,650
Research, development, test, and evaluation:						
Research, development, test, and evaluation, Air Force.....						283
Revolving and management funds:						
Army stock fund.....	217,783	216,096	-9,067	195,229	229,583	181,200
Navy stock fund.....	21,807	15,135		18,196	18,746	19,961
Marine Corps stock fund.....	1,202	84		585	701	106
Air Force stock fund.....	15,293	16,700		17,769	14,224	23,000
Army industrial fund.....	5,110		-4,441	200	469	
Total, revolving and management funds.....	261,195	248,015	-13,508	231,979	263,723	224,267
Undistributed 1962 fund reservations						
Total, Department of Defense—Military.....	1,735,392	845,283		1,085,582	1,495,093	992,000
Recapitulation by military department:						
Army.....	801,383	365,866		505,837	661,412	475,000
Navy.....	352,898	87,558		127,403	313,054	172,000
Air Force.....	581,111	391,859		452,342	520,627	345,000
Undistributed 1962 fund reservations.....						
Total, Department of Defense—Military.....	1,735,392	845,283		1,085,582	1,495,093	992,000

SUMMARY OF MILITARY ASSISTANCE ORDERS—Continued

[In thousands of dollars]

Adjustments, 1961	Deliveries in 1961	Balance of reservations, July 1, 1961	1962 fund reservations	Deliveries in 1962	Balance of reservations, July 1, 1962	
-5	583	101	-----	101	-----	Military personnel: Military personnel, Marine Corps.
-600	65,000	69,443	-----	36,400	33,043	Operation and maintenance: Operation and maintenance, Army.
-14,213	2,840	3,438	-----	2,451	987	Operation and maintenance, Navy.
-3,792	5,513	390	-----	390	-----	Operation and maintenance, Marine Corps.
-----	23,477	9,244	-----	9,000	244	Operation and maintenance, Air Force.
-18,606	96,830	82,515	-----	48,241	34,274	Total, operation and maintenance.
-----	240,000	350,117	-----	200,000	150,117	Procurement: Procurement of equipment and missiles, Army.
-----	1,700	31,300	-----	10,000	21,300	Procurement of aircraft and missiles, Navy.
-13,095	36,184	88,511	-----	30,000	58,511	Shipbuilding and conversion, Navy.
29,199	8,000	85,919	-----	30,345	55,574	Other procurement, Navy.
-3,596	2,170	4,008	-----	2,000	2,008	Procurement, Marine Corps.
-----	88,534	188,827	-----	171,000	17,827	Aircraft procurement, Air Force.
-----	-----	4,200	-----	3,000	1,200	Airlift modernization, Air Force.
-----	50,690	124,741	-----	95,000	29,741	Missile procurement, Air Force.
-----	-----	83,160	-----	52,000	31,160	Other procurement, Air Force.
-----	45,000	45,975	-----	20,313	25,662	Aircraft and related procurement, Navy.
770	12,800	66,374	-----	15,000	51,374	Procurement of ordnance and ammunition, Navy.
25,000	154,238	-----	-----	-----	-----	Aircraft, missiles and related procurement, Air Force.
-25,000	101,009	-----	-----	-----	-----	Procurement other than aircraft and missiles, Air Force.
13,278	740,324	1,073,134	-----	628,658	444,476	Total, procurement.
-----	283	-----	-----	-----	-----	Research, development, test, and evaluation: Research, development, test, and evaluation, Air Force.
-----	174,600	236,183	-----	137,900	98,283	Revolving and management funds: Army stock fund.
4,733	16,980	26,460	-----	19,000	7,460	Navy stock fund.
-----	400	407	-----	400	7	Marine Corps stock fund.
-----	16,433	20,790	-----	20,000	790	Air Force stock fund.
600	400	669	-----	300	369	Army industrial fund.
5,333	208,813	284,510	-----	177,600	106,910	Total, revolving and management funds.
-----	-----	-----	1,000,000	200,000	800,000	Undistributed 1962 fund reservations.
-----	1,046,834	1,440,259	1,000,000	1,054,600	1,385,659	Total, Department of Defense—Military.
-----	480,000	656,412	-----	374,600	281,812	Recapitulation by military department: Army.
-----	132,170	352,884	-----	130,000	222,884	Navy.
-----	434,664	430,963	-----	350,000	80,963	Air Force.
-----	-----	-----	1,000,000	200,000	800,000	Undistributed 1962 fund reservations.
-----	1,046,834	1,440,259	1,000,000	1,054,600	1,385,659	Total, Department of Defense—Military.

GENERAL PROVISIONS

SEC. 501. During the current fiscal year, the Secretary of Defense and the Secretaries of the Army, Navy, and Air Force, 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), 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. 502. 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. 503. 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 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. 504. Any appropriation available to the Army, Navy, or the Air Force 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 Army, Navy, or Air Force 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. 505. 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 2672 of title 10, United States Code.

SEC. 506. 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 **[\$275]** \$285 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. 507. Appropriations for the Department of Defense for the current fiscal year 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.

SEC. 508. 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. 509. 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. 510. 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. 511. Appropriations of the Department of Defense available for operation and maintenance, may be reimbursed during the current fiscal year for all expenses involved in the preparation for disposal and for the disposal of military supplies, equipment, and materiel, and for all expenses of production of lumber or timber products pursuant to section 2665 of title 10, United States Code, 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. 512. (a) During the current fiscal year, the President may exempt appropriations, fund, 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.

(b) Upon determination by the President that such action is necessary, the Secretary of Defense is authorized to provide for the cost of an airborne alert as an excepted expense in accordance with the provisions of R.S. 3732 (41 U.S.C. 11).

SEC. 513. No appropriation contained in this Act shall be available in connection with the operation of commissary stores of the agencies of the Department of Defense for the cost of purchase (including commercial transportation in the United States to the place of sale but excluding all transportation outside the United States) and maintenance of operating equipment and supplies, and for the actual or estimated cost of utilities as may be furnished by the Government and of shrinkage, spoilage, and pilferage of merchandise under the control of such commissary stores, except as authorized under regulations promulgated by the Secretaries of the military departments concerned, with the approval of the Secretary of Defense, which regulations shall provide for reimbursement therefor to the appropriations concerned and, notwithstanding any other provision of law, shall provide for the adjustment of the sales prices in such commissary stores to the extent necessary to furnish 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. 514. 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 current fiscal year (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. 515. 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. 516. 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. 517. 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 521 of this Act.

SEC. 518. Not more than 20 per centum of the appropriations in this Act which are limited for obligation during the current fiscal year 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. 519. During the current fiscal year the agencies of the Department of Defense may accept the use of real property from foreign countries for the United States in accordance with mutual defense agreements or occupational arrangements and may accept services furnished by foreign countries as reciprocal international courtesies or as services customarily made available without charge; and such agencies may use the same for the support of the United States forces in such areas without specific appropriation therefor.

[In addition to the foregoing] *Except as provided in this section, after June 30, 1961*, agencies of the Department of Defense may not accept real property, services, and commodities from foreign countries for the use of the United States in accordance with mutual defense agreements or occupational arrangements and [such agencies may] use the same for the support of the United States forces in such areas, without [specific] appropriation therefor: *Provided*, That within thirty days after the end of each quarter the Secretary of Defense shall render to the Committees on Appropriations of the Senate and the House of Representatives and to the Bureau of the Budget a full report of such property, supplies, and commodities received during such quarter].

SEC. 520. 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. 521. 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. 522. 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. 523. No part of any appropriation contained in this Act shall be available for the procurement of any article of food, cloth-

ing, 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 United States 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: *Provided, however*, That none of the funds appropriated in this Act shall be used except that, so far as practicable, all contracts shall be awarded on a competitive basis to the lowest responsible bidder].

SEC. 524. 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. 525. 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. 526. 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. 527. Appropriations contained in this Act shall be available for the purchase of household furnishings and automobiles from military and civilian personnel on duty outside the continental United States, for the purpose of resale at cost to incoming personnel, and 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. 528. 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. 529. 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. 530. Funds provided in this Act for congressional 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 \$950,000: *Provided*, That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense.]

[SEC. 531. 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 from carriers participating in the Civil Reserve Air Fleet program; and the Secretary of Defense shall utilize the services of such carriers which qualify as small businesses to the fullest extent found practicable: *Provided*, That the Secretary of Defense shall specify in such procurement, performance characteristics for aircraft to be used based upon modern aircraft operated by the civil airfleet.]

GENERAL PROVISIONS—Continued

【SEC. 532. Not to exceed \$9,000,000 of the funds made available in this Act for the purpose shall be available for the hire of motor vehicles.】

【SEC. 533. Not to exceed \$677,854,000 of the funds made available in this Act shall be available for travel expenses in connection with temporary duty and permanent change of station of civilian and military personnel of the Department of Defense.】

【SEC. 534. Effective January 1, 1961, no part of any appropriation contained in this Act shall be used to provide flight pay at the rates prescribed in section 204(b) of the Career Compensation Act of 1949 (63 Stat. 802), as amended, for more than 99,046 officers (other than Reserve officers on active duty for training and officers receiving flight pay pursuant to section 514 of this Act and flying student officers).】

SEC. 530. *During the current fiscal year, appropriations available to the Department of Defense for Operation and Maintenance may be used for civilian clothing, not to exceed \$40 in cost for enlisted personnel: (1) discharged for misconduct, unfitness, unsuitability, or otherwise than honorably; (2) sentenced by a civil court to confinement in a civil prison or interned or discharged as an alien enemy; (3) discharged prior to completion of recruit training under honorable conditions for dependency, hardship, minority, disability or for the convenience of the Government.*

SEC. 531. *No appropriation available for payment of the expenses of State civilian personnel of the Army National Guard and the Air National Guard, shall be available for employers' contributions to retirement systems at a rate in excess of six and one-half percent of the compensation on which such contribution is based.*

SEC. 【535】 532. *During the current fiscal year, the Secretary of Defense, should he deem it advantageous to the national defense to accelerate any strategic or tactical missile or satellite program, may transfer under the authority and terms of the Emergency Fund, an additional \$150,000,000 for the acceleration of such missile or satellite program or programs: Provided, That the transfer authority made available under the terms of the Emergency Fund appropriation contained in this Act is hereby broadened to meet the requirements of this section: Provided further, That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority. (Department of Defense Appropriation Act, 1961.)*

GENERAL PROVISIONS—MILITARY CONSTRUCTION

SEC. 101. 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】 first session of the Eighty-【sixth】 seventh Congress.

SEC. 102. None of the funds appropriated in this Act 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 United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 103. None of the funds appropriated in this Act 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. 104. None of the funds appropriated in this Act shall be used for the construction, replacement, or reactivation of any bakery, laundry, or drycleaning 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 fur-

nished by such facilities are not obtainable from commercial sources at reasonable rates.

SEC. 105. Funds appropriated to the military departments for construction are hereby made available for: (1) hire of passenger motor vehicles, and (2) the construction, or acquisition by lease or otherwise, of family housing and community facilities projects in foreign countries as authorized by section 407(b) of the Act of September 1, 1954 (68 Stat. 1119), as amended.

SEC. 106. 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), as amended, in an amount not to exceed 3½ 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. 107. 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 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 108. None of the funds appropriated in this Act may be used to begin construction on new bases for which specific appropriations have not been made.

SEC. 109. 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, and except that the Secretary of the Army may provide 156 units of family housing for company grade officers at the United States Military Academy at a unit cost of not more than \$20,300 per family unit.】

SEC. 110. 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】 \$141,797,000, *except for construction pursuant to section 2674 of title 10, United States Code, as amended.*

SEC. 111. No part of the funds provided in this Act shall be used for purchase of land or land easements in excess of 100 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. 112. None of the funds appropriated in this Act may be used to make payments under contracts for any project in a foreign country unless the Secretary of Defense or his designee, after consultation with the Secretary of the Treasury or his designee, certifies to the Congress that the use, by purchase from the Treasury, of currencies of such country acquired pursuant to law is not feasible for the purpose, stating the reason therefor. (*Military Construction Appropriation Act, 1961.*)

GENERAL PROVISIONS—MILITARY ASSISTANCE

SEC. —. *Funds appropriated in this Act for military assistance shall not be subject to other general provisions of this Act, except that, when pursuant to section 522 of the Mutual Security Act of 1954, as amended, authority granted in such other general provisions is utilized with respect to such funds, they may be utilized only in accordance with the terms and conditions applicable to such authority.*

DEPARTMENT OF DEFENSE—CIVIL

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
DEPARTMENT OF THE ARMY									
Cemeterial Expenses									
Current authorizations:									
Salaries and expenses.....	106	8,964	9,400	-----	10,440	8,386	9,600	9,700	8,700
Corps of Engineers—Civil									
Current authorizations:									
General investigations.....	401	10,481	12,023	-----	11,900	10,818	12,500	11,700	10,600
Construction, general.....	401	661,356	706,492	-----	700,572	658,533	698,103	698,461	540,000
Operation and maintenance, general.....	401	117,685	126,420	1,800	133,600	113,484	128,000	133,000	115,000
General expenses.....	401	12,324	12,120	780	13,048	12,389	12,800	13,000	12,300
Flood control, Mississippi River and tributaries.....	401	69,069	71,896	-----	70,500	69,882	72,000	70,000	60,000
United States section, Saint Lawrence River Joint Board of Engineers.....	401	39	30	-----	20	15	30	20	20
International navigation congresses.....	401	-----	150	-----	30	-----	30	150	30
Niagara remedial works.....	401	-----	-----	-----	-----	-176	71	-----	-----
Permanent authorizations:									
Payments to States, Flood Control Act of 1954 (indefinite special fund).....	401	1,511	1,600	-----	1,830	1,454	1,492	1,600	-----
Corps of Engineers—Civil special expense funds:									
Hydraulic mining in California, debris fund (indefinite special fund).....	401	18	18	-----	18	21	30	18	18
Maintenance and operation of dams and other improvements of navigable waters (indefinite special fund).....	401	154	152	-----	152	152	154	152	-----
Intragovernmental funds:									
Revolving fund, Corps of Engineers—Civil.....	401	-----	-----	-----	-----	584	2,890	1,799	-----
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Operation and maintenance, general.....	401	-----	-----	2,000	-----	-----	1,900	100	-----
Total, Corps of Engineers—Civil.....		872,637	930,901	4,580	931,670	867,156	930,000	930,000	737,968
UNITED STATES SOLDIERS' HOME									
Current authorizations:									
Limitation on operation and maintenance and capital outlay (trust fund).....		(11,008)	(5,664)	(124)	(6,052)	-----	-----	-----	-----
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Limitation on operation and maintenance and capital outlay (trust fund).....		-----	-----	(111)	-----	-----	-----	-----	-----
Total, United States Soldiers' Home.....		(11,008)	(5,664)	(235)	(6,052)	-----	-----	-----	-----
RYUKYU ISLANDS, ARMY									
Current authorizations:									
Administration.....	609	5,282	6,000	89	6,835	3,321	5,700	6,650	4,300
Construction of power systems.....	609	18,000	-----	-----	-----	216	86	3,000	-----
Construction of water system.....	609	-----	-----	-----	-----	248	345	-----	-----
Total, Ryukyu Islands, Army.....		23,282	6,000	89	6,835	3,785	6,131	9,650	4,300

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
THE PANAMA CANAL									
Current authorizations:									
Canal Zone government:									
Operating expenses.....	609	18,900	19,769	20,881	18,638	19,711	20,820	18,172	
Capital outlay.....	609	2,870	6,921	2,349	3,158	3,888	5,982	1,778	
Panama Canal Company: Panama Canal Bridge.....	510				2,674	7,501	6,850		
Public enterprise funds:									
Panama Canal Company:									
Panama Canal Company fund.....	510								
Limitation on general and administrative expenses.....		(8,272)	(9,394)	(7,824)	-2,175	8,568	3,429		
Total, The Panama Canal.....		21,770	26,690	23,230	22,295	39,668	37,081	19,950	
MISCELLANEOUS ACCOUNTS									
Current authorizations:									
Civilian relief in Korea, Army.....	152				2				
Permanent authorizations:									
Payments to claimants, disaster at Texas City, Texas, Army (indefinite).....	610				607	219			
Wildlife conservation, etc., Eglin Field Reservation, Air Force (indefinite special fund).....	404	26	31	31	24	31	31	26	
Public enterprise funds:									
Defense production guarantees, Army.....	518				58	-315	-180		
Defense production guarantees, Navy.....	518				937	1,227	-1,710		
Defense production guarantees, Air Force.....	518				-973	-837	-736		
Total, miscellaneous accounts.....		26	31	31	655	325	-2,595	26	
Total new obligational authority and budget expenditures.....		926,679	973,022	4,669	972,206	902,277	985,724	983,836	770,944
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		924,970	971,221	970,175	902,277	981,285	983,606	770,944	
Permanent authorizations:									
Appropriations.....		1,709	1,801	2,031					
Proposed for later transmission:									
Pay increase supplemental appropriations.....			2,669			2,539	130		
Other: Appropriations.....			2,000			1,900	100		
Total new obligational authority and budget expenditures.....		926,679	977,691	972,206	902,277	985,724	983,836	770,944	

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
THE PANAMA CANAL										
Panama Canal Company fund.....	510	95,588	108,663	105,687	97,763	100,095	102,258	-2,175	8,568	3,429
MISCELLANEOUS ACCOUNTS										
Defense production guarantees, Army.....	518	300	25	75	242	340	255	58	-315	-180
Defense production guarantees, Navy.....	518	1,614	4,040	3,530	678	2,813	5,240	937	1,227	-1,710
Defense production guarantees, Air Force.....	518	10,290	12,063	10,164	11,263	12,900	10,900	-973	-837	-736
Total, public enterprise funds.....		107,792	124,791	119,456	109,946	116,148	118,653	-2,153	8,643	803

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
General investigations, Corps of Engineers—Civil	1,634	2,709	1,434	2,372	987	1,895		2,095
Construction, general, Corps of Engineers—Civil	62,402	191,133	49,842	193,976	11,931	202,365		204,676
Operation and maintenance, general, Corps of Engineers—Civil	3,877	18,006	4,302	22,207		22,427		23,027
Flood control, Mississippi River and tributaries, Corps of Engineers—Civil	1,270	13,116	648	12,303		12,199		12,699
Niagara remedial works, Corps of Engineers—Civil	158	155	335	331	260	260	260	260
Payments to States, Flood Control Act of 1954 (indefinite special fund), Corps of Engineers—Civil	1,435	1,435	1,492	1,492	1,600	1,600	1,830	1,830
Hydraulic mining in California, debris fund (indefinite special fund), Corps of Engineers—Civil	15	15	11	12				
Maintenance and operation of dams and other improvements of navigable waters (indefinite special fund), Corps of Engineers—Civil	152	152	154	154	152	152	152	152
Construction of power systems, Ryukyu Islands, Army	180	314	18,030	18,098	18,012	18,012	14,212	14,812
Construction of water system, Ryukyu Islands, Army	354	593	227	345				
Panama Canal Bridge, Panama Canal Company	14,134	18,457	4,165	15,783	2,461	8,282	701	1,432
Panama Canal Company fund	10,000	10,000						
Canal Zone Government: Capital outlay	1,463	3,065	1,771	2,777	1,606	5,810	705	2,177
Payments to claimants, disaster at Texas City, Texas, Army (indefinite)	11,450	11,450	10,821	10,821				
Wildlife conservation, etc., Eglin Field, Air Force (indefinite special fund)	18	19	19	22	18	22	17	22
Other		4,338		6,907		7,314		8,228
Subtotal	108,542	274,957	93,251	287,600	37,027	280,338	17,877	271,410
Balances of anticipated pay increase supplementals included above						-130		
Total, appropriations	108,542	274,957	93,251	287,600	37,027	280,208	17,877	271,410
Authorizations to expend from debt receipts: Panama Canal Company fund			10,000	10,000	4,670	10,000		10,000
Revolving and management funds:								
Revolving fund, Corps of Engineers—Civil	5,735	24,271	2,658	23,687	116	20,797	55	18,998
Panama Canal Company fund	3,893	25,215	1,182	27,390		18,822		15,393
Other	20,511	20,511	20,490	20,490	20,415	20,415	23,041	23,041
Total, revolving and management funds	30,139	69,997	24,330	71,567	20,531	60,034	23,096	57,432
Proposed for later transmission:								
Appropriations other than pay increase supplementals						100		
Anticipated pay increase supplemental appropriations						130		
Total, proposed for later transmission						230		
Total, Department of the Army—Civil	138,681	344,954	127,581	369,167	62,228	350,472	40,973	338,842

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	926,679	977,691	972,206
Unobligated balances brought forward, start of year	138,681	127,581	62,228
Unobligated balances lapsing (-)	-362	-10,662	
Unobligated balances carried forward, end of year (-)	-127,581	-62,228	-40,973
Obligations incurred, net	937,413	1,032,382	993,461
Obligated balances brought forward, start of year	206,273	241,586	288,244
Adjustments of obligated balances in expired accounts	172		
Obligated balances carried forward, end of year (-)	-241,586	-288,244	-297,869
Budget expenditures	902,277	985,724	983,836

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
International affairs and finance:						
152 Economic and financial assistance.....				2		
Veterans services and benefits:						
106 Other veterans services and administration.....	8,964	9,400	10,440	8,386	9,600	9,700
Natural resources:						
401 Conservation and development of land and water resources.....	872,637	935,481	931,670	867,156	930,000	930,000
404 Conservation and development of fish and wildlife.....	26	31	31	24	31	31
Total, natural resources.....	872,663	935,512	931,701	867,180	930,031	930,031
Commerce, housing, and space technology:						
510 Promotion of water transportation.....				499	16,069	10,279
518 Other aids to business.....				22	75	-2,626
Total, commerce, housing, and space technology.....				521	16,144	7,653
General government:						
609 Territories and possessions, and the District of Columbia.....	45,052	32,779	30,065	25,581	29,730	36,452
610 Other general government.....				607	219	
Total, general government.....	45,052	32,779	30,065	26,188	29,949	36,452
Total, Department of Defense—Civil.....	926,679	977,691	972,206	902,277	985,724	983,836

DEPARTMENT OF THE ARMY

CEMETERIAL EXPENSES

Current authorizations:

SALARIES AND EXPENSES

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of [one] four passenger motor [vehicle] vehicles, of which three 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; [\$9,400,000] \$10,440,000: *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] primarily for the purposes of this appropriation. (24 U.S.C. 271, 273-276, 278-279, 279a-b, 282, 288, 290; Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operation and maintenance.....	4,540	5,100	5,385
2. Construction.....	829	400	1,125
3. Headstone procurement.....	2,886	3,118	3,190
4. Administration.....	633	722	740
Total obligations.....	8,888	9,340	10,440
Financing:			
Advances and reimbursements from non-Federal sources.....	-7		
Unobligated balance lapsing.....	84	60	
New obligational authority (appropriation)	8,964	9,400	10,440

Note.—Reimbursements from non-Federal sources are derived from payments by commercial carriers for headstones damaged in shipment (31 U.S.C. 489a).

This appropriation finances operation and maintenance of the national cemetery system, and provides free headstones and markers for the graves of eligible persons. The workload consists of three main factors: gravesites maintained, interments, and headstone applications. Each of these has increased steadily over the last decade as the death rate of the veteran population has increased. This workload will continue to increase each year.

1. *Operation and maintenance.*—The national cemetery system consists of 85 national cemeteries and 33 smaller burial plots and monument sites. Major workload factors are:

	1960 actual	1961 estimate	1962 estimate
Interments.....	32,608	34,800	37,250
Gravesites maintained.....	931,084	985,717	1,042,273

2. *Construction.*—Funds are included for four gravesite development projects, two landscaping projects, one building project, and future planning and engineering investigations. In addition, provision is made for preliminary planning for the expansion of Arlington National Cemetery into the present South Post of Ft. Myer.

3. *Headstone procurement.*—Headstones are provided for graves in national cemeteries and for graves of military personnel and veterans buried in private cemeteries. The

1962 program is based on an increase of 3½% in new applications, 1,500 replacements, and 1,000 memorial markers for persons whose remains are not recoverable.

HEADSTONE PROCUREMENT REQUIREMENTS

	1960 actual	1961 estimate	1962 estimate
Applications from previous year.....	15,172	14,971	13,500
Applications received.....	123,208	128,529	133,000
Less applications carried forward.....	14,971	13,500	13,500
Total procurement.....	123,409	130,000	133,000

4. *Administration.*—This item provides for processing applications for headstones and markers, determination of eligibility for interment, and management of the national cemetery system.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,705	3,925	4,279
Positions other than permanent.....	121	159	136
Other personnel compensation.....	111	100	78
Total personnel compensation.....	3,937	4,184	4,493
12 Personnel benefits.....	239	318	344
21 Travel and transportation of persons.....	34	42	47
22 Transportation of things.....	326	381	390
23 Rent, communications, and utilities.....	150	146	151
25 Other services.....	469	591	595
26 Supplies and materials.....	329	311	314
31 Equipment.....	2,763	3,047	3,112
32 Lands and structures.....	681	361	1,035
Subtotal.....	8,928	9,381	10,481
Deduct charges for quarters.....	40	41	41
Total obligations.....	8,888	9,340	10,440

Personnel Summary

Total number of permanent positions.....	804	795	857
Full-time equivalent of other positions.....	39	37	32
Average number of all employees.....	796	805	860
Number of employees at end of year.....	876	865	915
Average GS grade.....	6.1	6.0	6.0
Average GS salary.....	\$5,212	\$5,662	\$5,689
Average salary of ungraded positions.....	\$4,729	\$4,805	\$4,858

[RIVERS AND HARBORS AND FLOOD CONTROL] CORPS OF ENGINEERS—CIVIL

The Corps of Engineers—Civil improves and maintains rivers and harbors throughout the United States, Puerto Rico, and the Virgin Islands in the interest of navigation, control of floods, related hydroelectric power development, and allied water uses.

The total appropriation requested amounts to \$931.7 million, representing an increase of \$800 thousand compared with the amount appropriated for 1961 and an increase of \$59 million compared with the appropriation for 1960. Funds in the amount of \$15.1 million are requested for new construction starts. Approximately 81% of the requested appropriations will be applied to construction and 16% 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

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

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, surveys and studies (including cooperative beach erosion studies as authorized in Public Law 520, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, [\$12,023,000] \$11,900,000, to remain available until expended: Provided, That [\$50,000] \$55,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army. (33 U.S.C. 426-426c, 540, 541, 701; Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Surveys and studies:			
(a) Navigation studies.....	1,040	1,390	1,655
(b) Beach control studies.....	3,152	4,085	3,809
(c) Beach erosion cooperative studies.....	87	172	200
(d) Special studies:			
(1) San Francisco Bay area survey.....	542	500	400
(2) Ohio River Basin review.....	460	400	524
(3) Great Lakes harbor survey.....	266	270	4
(4) Columbia River review.....	4		
(5) Delaware River review.....	406	37	
(6) Coordination studies with other agencies.....	78	145	350
(7) Hurricane studies.....	959	975	940
(8) Hudson River siltation study.....	128	110	15
(9) Potomac River review.....	344	395	390
(10) Colorado River, Tex., review.....	72	114	155
(11) Trinity River, Tex.....	256	318	255
(12) Great Lakes water levels.....		1	75
(13) Rampart Canyon, Alaska.....	28	190	125
(14) Arkansas-Red River pollution.....	41	135	200
2. Collection and study of basic data:			
(a) Stream gaging.....	219	235	248
(b) Precipitation studies.....	322	340	370
(c) Fish and wildlife studies.....	42	50	55
(d) International waters studies.....	50	61	75
(e) Flood plain studies.....			490
3. Research and development:			
(a) Beach erosion development studies.....	209	200	230
(b) Hydrologic studies.....	139	164	160
(c) Civil works investigations.....	1,166	1,215	1,278
(d) Mississippi basin model:			
(1) Construction.....	666	700	700
(2) Mississippi River comprehensive study.....	102	150	160
4. Alaska pierhead line survey.....	43	80	10
Total program costs.....	10,821	12,432	12,873
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-140		
Obligations incurred for costs of other years, net.....		38	14
Total obligations.....	10,681	12,470	12,887
Financing:			
Unobligated balance brought forward.....	-1,634	-1,434	-987
Unobligated balance carried forward.....	1,434	987	
New obligational authority (appropriation)	10,481	12,023	11,900

1. *Surveys and studies.*—Surveys are made to determine the need and economic justification of proposed naviga-

tion and flood control improvements. These surveys 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 control studies are conducted at specific localities. These cooperative studies are paid for equally by the Federal Government and by State and 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 STUDIES

Status	1960 actual	1961 estimate	1962 estimate
Prior year studies continuing.....	145	125	97
Prior year studies completed.....	67	99	120
Initiated or resumed and completed during the year.....	25	36	8
Initiated or resumed but not completed.....	79	92	19

Completed studies 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 will be made available in the amounts of \$370 thousand to the Weather Bureau for hydrometeorological studies and precipitation stations, \$248 thousand to the Geological Survey for installation, operation, and maintenance of stream gaging stations, and \$55 thousand to the Fish and Wildlife Service for preauthorization studies of the effect of proposed navigation and flood control projects upon fish and wildlife. Also, members of the Corps of Engineers will participate in a number of engineering and control boards to study and control international streams and watersheds which mutually affect the United States and bordering nations. In addition, the Corps of Engineers will compile and disseminate, to States and responsible local governmental agencies upon their request, information on floods and potential flood damages, and general criteria for guidance in the use of flood plain areas.

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 interested Federal, State, and local agencies and individuals.

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 will be continued. In addition, funds are requested to continue the Mississippi River comprehensive study on the completed portion of the Mississippi basin model. The primary objectives of this basinwide 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.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	53	52	50	50
Unpaid undelivered orders (appropriation balance obligated for goods and services on order not yet received)....	456	317	358	372
Advances (payments for goods and services on order not yet received).....	1	1	---	---
Total selected resources at end of year.....	510	370	408	422
Selected resources at start of year (—).....	---	—510	—370	—408
Costs financed from obligations of other years, net (—).....	---	—140	---	---
Obligations incurred for costs of other years, net.....	---	---	38	14

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation:			
Permanent positions.....	6,881	7,655	7,738
Positions other than permanent.....	51	33	34
Other personnel compensation.....	292	225	206
Pay to commissioned officers.....	18	30	30
Total personnel compensation.....	7,242	7,943	8,008
12 Personnel benefits:			
Civilian personnel benefits.....	469	567	576
Military personnel benefits.....	1	1	1
21 Travel and transportation of persons.....	103	120	130
22 Transportation of things.....	7	10	12
23 Rent, communications, and utilities.....	38	50	60
24 Printing and reproduction.....	23	30	35
25 Other services.....	452	1,000	1,100
Services of—			
Other agencies.....	1,217	1,465	1,644
"Revolving fund, Corps of Engineers—Civil".....	744	875	900
26 Supplies and materials.....	170	175	180
31 Equipment.....	23	24	25
32 Lands and structures.....	6	8	10
41 Grants, subsidies, and contributions.....	133	150	150
42 Insurance claims and indemnities.....	1	1	1
Total, Corps of Engineers—Civil.....	10,629	12,419	12,832
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
11 Personnel compensation: Permanent positions.....	27	38	40
12 Personnel benefits: Civilian.....	2	2	2
21 Travel and transportation of persons.....	5	4	5
23 Rent, communications, and utilities.....	3	1	1
25 Other services.....	13	5	6
26 Supplies and materials.....	2	1	1
Total, Bureau of Sport Fisheries and Wildlife.....	52	51	55
Total obligations.....	10,681	12,470	12,887

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
CORPS OF ENGINEERS—CIVIL			
Total number of permanent positions.....	1,118	1,142	1,150
Full-time equivalent of other positions.....	9	7	7
Average number of all employees.....	1,097	1,119	1,127
Number of employees at end of year.....	1,125	1,137	1,151
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
Total number of permanent positions.....	5	6	7
Average number of all employees.....	5	6	7
Number of employees at end of year.....	5	6	7
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; and 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 \$1,400,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; \$706,491,600] \$700,572,000, to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: [Provided further, That not to exceed \$200,000 of the funds herein or hereafter provided for "Construction, general," shall be available for the construction of necessary bank stabilization and other protective measures on Red River in the vicinity of the St. Louis Southwestern Railroad and the Arkansas State highway bridges at Garland City, Arkansas:] *Provided further*, That none of the funds appropriated for "Construction, General", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: *Provided further*, That \$500,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Advance engineering and design.....	10,257	12,913	11,950
2. Navigation projects:			
(a) Channels and harbors:			
(1) Projects specifically authorized by Congress:			
(1) Homer Harbor, Alaska.....	---	542	---
(2) Seldovia Harbor, Alaska.....	---	548	---
(3) Arkansas River and tributaries (bank stabilization and channel rectification), Arkansas and Oklahoma.....	4,626	7,177	12,000
(4) Half Moon Bay (Pillar Point), Calif.....	1,068	1,808	1,211
(5) Noyo River and Harbor, Calif.....	---	---	300
(6) Playa del Rey Inlet and Harbor, Calif.....	666	214	524
(7) Port Hueneme Harbor, Calif.....	2,175	2,365	---
(8) Redwood City Harbor, Calif.....	931	118	---
(9) Sacramento River, Calif.....	7,365	7,009	4,300
(10) Santa Cruz Harbor, Calif.....	---	---	300
(11) Bridgeport Harbor, Conn.....	---	750	2,600
(12) Inland waterway, Delaware River to Chesapeake Bay, Del. and Md. (Summit Bridge).....	1,643	297	---
(13) Intracoastal Waterway, Jacksonville to Miami, Fla. (Eau Gallie to Fort Pierce).....	904	428	1,000
(14) Intracoastal Waterway, Caloosahatchee River to Anclote River, Fla.....	302	1,523	1,000

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Navigation projects—Continued			
(a) Channels and harbors—Continued			
(1) Projects specifically authorized by Congress—Continued			
(15) Port Everglades Harbor, Fla.....		750	2,200
(16) St. Joseph Bay, Fla.....	635	226	
(17) Tampa Harbor, Fla.....	3,883	120	
(18) Brunswick Harbor, Ga.....	858	202	
(19) Savannah River below Augusta, Ga.....	540	1,197	769
(20) Honolulu Harbor, Hawaii.....	1,613	1,229	
(21) Kahului Harbor, Hawaii.....		945	
(22) Calumet Harbor and River, Ill. and Ind.....			400
(23) Calumet Harbor and River, Ill. and Ind. (Cargill Docks).....		225	
(24) Mississippi River between Ohio and Missouri Rivers (regulating works).....	1,442	1,528	2,000
(25) Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri.....	875	1,336	1,000
(26) Mississippi River between Ohio and Missouri Rivers, Chain of Rocks, Ill.....	198	286	
(27) Decatur Bend cutoff, Iowa and Nebraska.....		155	
(28) Missouri River:			
Sioux City, Iowa, to Omaha, Nebr.....	6,100	5,610	5,600
Omaha, Nebr., to Kansas City, Mo.....	2,682	2,773	2,800
Kansas City, Mo., to mouth.....	3,358	3,476	3,500
(29) Barataria Bay, La.....	217	1,158	
(30) Gulf Intracoastal Waterway between Apalachee Bay, Fla., and Mexican border, Plaquemine-Morgan City alternate route, Louisiana.....	6,481	4,169	
(31) Mississippi River, Baton Rouge to the Gulf of Mexico, La.....	900	1,884	2,500
(32) Mississippi River-Gulf outlet, Louisiana.....	5,493	8,238	8,500
(33) Aquatic plant control in the waters of the Gulf and South Atlantic States.....	530	696	1,000
(34) Eastport Harbor, Maine.....		300	295
(35) Scarboro River, Maine.....	1	121	
(36) York Harbor, Maine.....		391	
(37) Baltimore Harbor and channels, Maryland.....		1,900	5,000
(38) Boston Harbor, Mass. (reserve channel).....	586	88	
(39) Detroit River, Mich. (Trenton Channel).....			400
(40) Grand Marais Harbor, Mich.....	265	490	
(41) Great Lakes connecting channels, Michigan.....	24,101	28,040	19,100
(42) Hammond Bay, Mich.....		200	
(43) Manistique Harbor, Mich.....	258	469	
(44) New Poe lock, St. Marys River, Mich.....		1,350	4,500
(45) Saginaw River, Mich.....	10	1,012	1,700
(46) St. Marys River, Mich.....	1,402	114	
(47) Duluth-Superior Harbor, Minn. and Wis. (outer harbor).....			400
(48) Minnesota River, Minn.....		300	450
(49) Pascagoula Harbor, Miss.....	1,143	203	
(50) Delaware River, Philadelphia to Trenton, Pa., N.J., and Del.....	11,270	13,465	12,000
(51) New York and New Jersey channels.....	2,176	218	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Navigation projects—Continued			
(a) Channels and harbors—Continued			
(1) Projects specifically authorized by Congress—Continued			
(52) Buffalo Harbor, N.Y. (south entrance and south outer harbor).....			350
(53) Buffalo Harbor, N.Y. (north entrance).....	1,954	488	2,030
(54) Buttermilk Channel, N.Y.....	728	363	
(55) Hudson River, N.Y. (32-foot channel to Albany).....	448	1,887	5,000
(56) Jamaica Bay, N.Y.....		401	439
(57) Ocracoke Inlet, N.C.....		185	
(58) Morehead City Harbor, N.C.....	396	650	
(59) Ashtabula Harbor, Ohio (channel deepening and turning basin).....			400
(60) Cleveland Harbor, Ohio (approach channel, outer harbor and lower Cuyahoga River).....			400
(61) Columbia River between Vancouver, Wash. and The Dalles, Ore.....	1,536	435	
(62) Rogue River at Gold Beach, Ore.....	1,725	1,580	
(63) San Juan Harbor, P.R.....			600
(64) Freeport Harbor, Tex.....		899	
(65) Galveston seawall, Texas.....	2,159	2,500	
(66) Gulf Intracoastal Waterway: Channel to Port Mansfield, Tex.....	161	1,505	2,639
Colorado River Channel, Tex.....	234	969	
Guadalupe River, channel to Victoria, Tex.....	708	1,155	900
(67) Houston ship channel, Texas.....		1,100	3,000
(68) Port Aransas-Corpus Christi Waterway, Tex. (36-foot channel).....	1,403	1,503	1,255
(69) Sabine-Neches Waterway, Tex.....	1,685	1,671	1,800
(70) Everett Harbor, Snohomish River, Wash.....			200
(71) Minor completion items.....	18,623	917	
(II) Projects not specifically authorized by Congress.....			500
Total, channels and harbors.....	128,457	125,851	116,862
(b) Locks and dams:			
(1) Holt lock and dam, Alabama.....			750
(2) Jackson lock and dam, Alabama.....	7,963	4,464	275
(3) Columbia lock and dam, Alabama and Georgia.....	825	3,358	4,700
(4) Illinois Waterway, Ill. (Calumet-Sag modification, Lake Calumet to Sag Junction).....	7,459	7,607	5,000
(5) Mississippi River between the Missouri River and Minneapolis, Minn.: St. Anthony Falls, Minn.....	2,701	4,604	6,000
Rectification of damages.....	65	2,660	
(6) Markland lock and dam, Indiana, Kentucky, and Ohio.....	8,871	11,978	13,700
(7) Ohio River locks and dams: New Cumberland locks and dam, Ohio and West Virginia.....	4,815	5,716	
Greenup locks and dam, Kentucky and Ohio.....	9,054	9,305	
McAlpine lock and dam, Kentucky and Indiana.....	11,552	8,683	5,500
(8) Captain Anthony Meldahl locks and dam, Kentucky and Ohio.....	10,409	15,020	19,500
(9) Great Lakes-Hudson River Waterway, N.Y.....	433	318	770
(10) Belleville locks and dam, Ohio and West Virginia.....			900
(11) Pike Island locks and dam, Ohio and West Virginia.....	3,938	9,015	14,600
(12) Maxwell locks and dam, Pennsylvania.....		1,400	5,500
(13) Opekiska lock and dam, West Virginia.....		500	3,000
(14) Minor completion items.....	1,721	206	
Total, locks and dams.....	69,806	84,834	80,195

Program and Financing (in thousands of dollars)—Continued				Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
Program by activities—Continued				Program by activities—Continued			
3. Alteration of bridges over navigable waters:				5. Flood control projects—Continued			
(1) Chicago, Burlington, and Quincy RR. Bridge, Quincy, Ill.				(a) Local protection—Continued			
	2,023	774	191	(1) Projects specifically authorized by Congress—Continued			
(2) Chelsea Bridge, Boston, Mass.		242		(29) Evansville, Ind.	75	79	437
(3) Houghton-Hancock Bridge, Michigan	2,123	264		(30) Mason J. Niblack levee, Indiana			350
(4) Ohio Street Bridge, Buffalo Harbor, N.Y.	1,503	807	440	(31) Vincennes, Ind.	260	424	
(5) Corpus Christi Bridge, Texas	528	515		(32) West Terre Haute, Ind.		94	500
(6) Minor completion items	3,236	69		(33) Floyd River and tributaries, Iowa		730	800
Total, alteration of bridges	9,413	2,671	631	(34) Iowa River-Flint Creek levee district No. 16, Iowa			300
4. Beach erosion control projects:				(35) Little Sioux River, Iowa	2,298	2,268	2,700
(1) Imperial Beach, Calif.			27	(36) Missouri River, Kenslers Bend, Nebr., to Sioux City, Iowa	887	770	
(2) Silver Beach to Cedar Beach, Conn.			34	(37) Muscatine Island levee district and Muscatine-Louisa County drainage district No. 13, Iowa	1,045	950	300
(3) Rehoboth Beach to Indian River Inlet, Del.		75		(38) Frankfort, Kans.			400
(4) Key West, Fla.			115	(39) Kansas Cities on the Missouri and Kansas Rivers, Kans. and Mo.	168	681	1,000
(5) Lake Worth Inlet to South Lake Worth Inlet, Fla.		118	6	(40) Manhattan, Kans.	79	530	800
(6) Kenilworth, Ill.		5		(41) Missouri River agricultural levees, Kansas, Missouri, Iowa, and Nebraska	262	504	
(7) Quincy Shore, Mass.		645		(42) Ottawa, Kans.	988	1,059	1,250
(8) Atlantic City, N.J.	33	4	140	(43) Topeka, Kans.	2,522	1,674	2,400
(9) Ocean City, N.J.		50		(44) Covington, Ky.	18	200	
(10) Selkirk Shores State Park, N.Y.		19		(45) Amite River and tributaries, Louisiana	525	649	
(11) Minor completion items	157	3		(46) Bayou Chevreuil, La.		502	
Total, beach erosion control	190	919	322	(47) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark.	639	640	300
5. Flood control projects:				(48) North Adams, Mass.	2,677	193	
(a) Local protection:				(49) Worcester, Mass.	138	177	
(1) Projects specifically authorized by Congress:				(50) Battle Creek, Mich.	688	806	302
(1) Paint Rock River, Ala.			150	(51) Lost River and Ruffy Brook, Minn.	52	258	
(2) Gila River-Camelsback Reservoir site to Salt River, Ariz.		150	800	(52) Red River of the North, Minn., S. Dak., and N. Dak.	565	313	
(3) McKinney Bayou and Barkman Creek, Ark. and Tex.	481	675		(53) St. Paul and South St. Paul, Minn.		500	1,500
(4) Devil, East Twin, Warm, and Lytle Creeks, Calif.	1,546	1,272	1,482	(54) Bear Creek, Mo.	321	755	200
(5) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)	14,484	13,249	16,000	(55) Canton, Mo.	83	693	
(6) Lower San Joaquin River and tributaries, California	755	1,071	1,300	(56) Des Moines and Mississippi levee district No. 1, Missouri	22	393	
(7) Middle Creek, Calif.	573	537	635	(57) Fabius River drainage and levee district, Missouri	680	805	
(8) Mill Creek levees, California	250	358		(58) Perry County drainage and levee districts 1, 2, and 3, Missouri		75	400
(9) Sacramento River flood control, California	2,181	1,619	1,900	(59) St. Louis, Mo.	3,742	4,825	8,500
(10) Sacramento River and major and minor tributaries, California	1,057	1,024	300	(60) Gering and Mitchell Valleys, Nebr.	93	724	
(11) San Antonio and Chino Creek, Calif.	2,140	1,361		(61) Salt Creek and tributaries, Nebraska		380	1,750
(12) San Jacinto River and Bautista Creek, Calif.	217	1,202	1,886	(62) Rio Grande Floodway, Cochiti to Rio Puerco unit, New Mexico	833	862	1,915
(13) San Lorenzo Creek, Calif.	1,600	1,620		(63) Socorro, N. Mex.			400
(14) Santa Clara River, Calif.	1,244	350		(64) Two Rivers, N. Mex.	87	311	3,000
(15) Santa Maria Valley levees, California	1,449	1,368	2,022	(65) Endicott, Johnson City, and Vestal, N.Y.	1,589	335	
(16) Truckee River and tributaries, California and Nevada	588	142	357	(66) Herkimer, N.Y.			250
(17) Pawcatuck, Conn.			371	(67) Pantego and Cucklers Creek, N.C.		473	
(18) Central and southern Florida	8,236	11,012	13,000	(68) Lower Heart River, N. Dak.	700	838	
(19) Hanapepe River, Hawaii	73	352		(69) Enid, Okla.	114	494	
(20) Kawaiui Swamp, Hawaii		20	450	(70) Johnson Creek, Ore.	6		97
(21) Beardstown, Ill.	76	1,261	1,000	(71) Lower Columbia River bank protection, Oregon and Washington		376	600
(22) Clear Creek drainage and levee district, Illinois	194	13	558	(72) Lower Columbia River, improvement to existing work:			
(23) Drury drainage and levee district, Illinois		491	300	Multnomah County drainage district No. 1, Oregon	441	530	
(24) East St. Louis and vicinity, Illinois	2,020	2,513	2,600	Rainier drainage district, Oregon		188	381
(25) Henderson River, Ill.		463		Sauvie Island drainage district, Oregon		142	259
(26) Hunt and Lima Lake drainage district, Illinois	885	725	900	(73) Willamette River Basin, Ore. (bank protection)	468	494	500
(27) Sny Basin, Illinois	201	2,016	4,000				
(28) Wood River drainage and levee district, Illinois	936	1,183	1,400				

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
5. Flood control projects—Continued			
(a) Local protection—Continued			
(I) Projects specifically authorized by Congress—Continued			
(74) Bethlehem, Pa.-----	691	580	1,900
(75) Bradford, Pa.-----	1,442	1,200	-----
(76) Brookville, Pa.-----	25	453	565
(77) Ridgway, Pa.-----	-----	125	250
(78) Turtle Creek, Pa.-----	-----	400	400
(79) Washington, Pa.-----	-----	400	550
(80) Fox Point hurricane barrier, Rhode Island.-----	-----	752	3,200
(81) Sioux Falls, S. Dak.-----	987	217	-----
(82) Buffalo Bayou, Tex.-----	2,529	2,500	3,500
(83) San Antonio Channel, Tex.-----	678	1,101	2,400
(84) Texas City, Tex.-----	-----	-----	400
(85) Colfax, Wash.-----	-----	225	800
(86) East Rainelle, W. Va.-----	17	875	-----
(87) Princeton, W. Va.-----	480	358	-----
(88) Williamson, W. Va.-----	-----	300	479
(89) Sheridan, Wyo.-----	40	386	500
(90) Minor completion items.-----	7,275	769	-----
(II) Projects not specifically authorized by Congress.-----	2,061	3,699	4,000
(III) Emergency bank protection.-----	142	305	480
(IV) Snagging and clearing.-----	419	526	700
Total, local protection.-----	81,037	88,512	103,126
(b) Reservoirs:			
(1) Painted Rock Reservoir, Ariz.-----	2,971	1,648	-----
(2) Whitlow Ranch Reservoir, Ariz.-----	1,143	131	-----
(3) Millwood Reservoir, Ark.-----	-----	500	2,500
(4) Black Butte Reservoir, Calif.-----	1,973	4,095	4,300
(5) Carbon Canyon Reservoir, Calif.-----	2,621	1,454	-----
(6) New Hogan Reservoir, Calif.-----	961	1,860	4,500
(7) Pine Flat Reservoir, Calif.-----	97	180	1,621
(8) Russian River Reservoir, Calif.-----	167	426	700
(9) Success Reservoir, Calif.-----	4,093	2,417	-----
(10) Terminus Reservoir, Calif.-----	5,012	6,233	3,288
(11) East Branch Reservoir, Conn.-----	-----	-----	250
(12) Hall Meadow Brook Reservoir, Conn.-----	213	940	1,400
(13) Mad River Reservoir, Conn.-----	243	718	1,800
(14) Thomaston Reservoir, Conn.-----	4,753	1,562	-----
(15) Lucky Peak Reservoir, Idaho.-----	15	215	-----
(16) Carlyle Reservoir, Ill.-----	2,939	3,310	3,500
(17) Huntington Reservoir, Ind. (road relocation).-----	-----	-----	250
(18) Mansfield Reservoir, Ind.-----	1,217	319	-----
(19) Monroe Reservoir, Ind.-----	-----	275	940
(20) Salamonie Reservoir, Ind.-----	-----	-----	700
(21) Red Rock Reservoir, Iowa.-----	1,118	3,615	6,500
(22) Council Grove Reservoir, Kans.-----	358	1,883	3,600
(23) John Redmond Reservoir, Kans.-----	1,471	3,308	6,700
(24) Milford Reservoir, Kans.-----	-----	500	2,500
(25) Pomona Reservoir, Kans.-----	1,702	3,502	4,800
(26) Tuttle Creek Reservoir, Kans.-----	16,605	16,519	5,000
(27) Wilson Reservoir, Kans.-----	266	1,728	3,200
(28) Buckhorn Reservoir, Ky.-----	3,354	723	-----
(29) Fishtrap Reservoir, Ky.-----	-----	-----	900
(30) Nolin Reservoir, Ky.-----	1,636	2,743	7,200
(31) No. 2 Barren River Reservoir, Ky.-----	833	2,187	4,500
(32) Rough River Reservoir and channel, Kentucky.-----	2,231	789	-----
(33) Littleville Reservoir, Mass.-----	-----	-----	300
(34) West Hill Reservoir, Mass.-----	1,058	733	-----
(35) Westville Reservoir, Mass.-----	801	3,054	1,700
(36) Pomme de Terre Reservoir, Mo.-----	3,700	3,420	1,700
(37) Hopkinton-Everett Reservoir, N.H.-----	4,000	7,723	6,200
(38) Chamita (Abiquiu) Reservoir, N. Mex.-----	2,555	4,626	4,288
(39) Wilkesboro Reservoir, N.C.-----	776	3,135	2,000
(40) Dillon Reservoir, Ohio.-----	9,040	3,653	-----
(41) Muskingum River Reservoir, Ohio.-----	335	158	-----

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
5. Flood control projects—Continued			
(b) Reservoirs—Continued			
(42) West Branch Mahoning River Reservoir, Ohio.-----	108	349	2,600
(43) Broken Bow Reservoir, Okla.-----	-----	250	1,000
(44) Keystone Reservoir, Okla.-----	9,877	17,927	27,500
(45) Markham Ferry Reservoir, Okla.-----	-----	2,114	-----
(46) Oologah Reservoir, Okla.-----	11,871	3,868	1,759
(47) Allegheny River Reservoir, Pa. and N.Y.-----	1,513	5,189	15,000
(48) Bear Creek Reservoir, Pa.-----	3,107	867	-----
(49) Curwensville Reservoir, Pa.-----	-----	-----	750
(50) Kettle Creek Reservoir, Pa.-----	1,887	2,164	1,233
(51) Prompton Reservoir, Pa.-----	1,213	270	-----
(52) Shenango River Reservoir, Pa. and N.Y.-----	482	2,206	7,000
(53) Stillwater Reservoir, Pa.-----	1,674	311	-----
(54) Canyon Reservoir, Tex.-----	2,251	2,921	3,000
(55) Cooper Reservoir and channels, Texas.-----	1,120	253	-----
(56) Ferrells Bridge Reservoir, Tex.-----	11	297	-----
(57) Navarro Mills Reservoir, Tex.-----	1,128	3,003	3,500
(58) Proctor Reservoir, Tex.-----	329	1,611	4,500
(59) San Angelo Reservoir, Tex.-----	22	245	-----
(60) Stillhouse Hollow (Lampasas) Reservoir, Tex.-----	-----	-----	500
(61) Texarkana Dam, Tex.-----	232	215	-----
(62) Waco Reservoir, Tex.-----	4,503	9,202	8,500
(63) Ball Mountain Reservoir, Vt.-----	2,173	2,224	-----
(64) East Barre Reservoir, Vt.-----	55	190	-----
(65) North Hartland Reservoir, Vt.-----	2,231	990	-----
(66) North Springfield Reservoir, Vt.-----	2,098	532	-----
(67) Townshend Reservoir, Vt.-----	2,113	1,554	-----
(68) John W. Flannagan (Pound) Reservoir, Va.-----	1,389	1,811	4,200
(69) Howard A. Hansen Reservoir, Wash.-----	5,396	4,525	4,100
(70) Summersville Reservoir, W. Va.-----	1,331	3,889	9,000
(71) Sutton Reservoir, W. Va.-----	2,821	352	-----
(72) Minor completion items.-----	2,686	803	-----
Total, reservoirs.-----	143,878	160,414	180,979
6. Multiple-purpose projects, including power:			
(1) Walter F. George lock and dam, Alabama and Georgia.-----	13,233	18,713	15,600
(2) Beaver Reservoir, Ark.-----	1,851	2,836	9,500
(3) Bull Shoals Reservoir, Ark. and Mo. (units 5 and 6).-----	1,671	3,023	1,000
(4) Bull Shoals Reservoir, Ark. and Mo. (units 7 and 8).-----	-----	100	1,500
(5) Dardanelle lock and dam, Arkansas.-----	5,281	5,430	9,000
(6) Greers Ferry Reservoir, Ark.-----	7,796	12,941	12,500
(7) Hartwell Reservoir, Ga. and S.C.-----	20,177	19,983	10,000
(8) Barkley Dam and Reservoir, Ky. and Tenn.-----	17,522	15,375	22,000
(9) Table Rock Reservoir, Mo. and Ark.-----	3,679	898	-----
(10) Fort Peck Dam, Mont. (2d powerplant).-----	9,262	3,750	700
(11) Garrison Reservoir, N. Dak.-----	4,310	3,481	850
(12) Eufaula Reservoir, Okla.-----	9,611	17,744	28,000
(13) Tenkiller Reservoir, Okla.-----	547	174	-----
(14) Cougar Reservoir, Oreg.-----	6,575	11,763	12,000
(15) Green Peter Reservoir, Oreg.-----	-----	1,316	6,000
(16) Hills Creek Reservoir, Oreg.-----	9,482	9,897	1,800
(17) John Day lock and dam, Oregon and Washington.-----	14,342	31,164	32,856
(18) McNary lock and dam, Oregon and Washington.-----	616	487	354
(19) The Dalles lock and dam, Oregon and Washington.-----	6,266	1,976	-----
(20) Big Bend Reservoir, S. Dak.-----	2,238	9,203	22,000
(21) Fort Randall Reservoir, S. Dak.-----	757	466	1,000
(22) Oahe Reservoir, S. Dak.-----	47,051	49,363	40,000
(23) Cheatham lock and dam, Tennessee, part of Cumberland River system, Kentucky and Tennessee.-----	181	123	-----
(24) Denison Reservoir (Lake Texoma), Tex. and Okla. (Highway Bridge at Willis site).-----	401	161	-----
(25) McGee Bend Dam, Tex.-----	6,850	5,995	9,600

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
6. Multiple-purpose projects, including power—Continued			
(26) Chief Joseph Dam, Wash.	519	323	100
(27) Ice Harbor lock and dam, Washington	29,380	25,400	8,200
(28) Lower Monumental lock and dam, Washington		1,000	8,000
(29) Minor completion items	4,417	1,036	
Total, multiple-purpose projects	224,015	254,121	252,560
7. Recreation on completed projects	2,310	2,734	3,000
8. Small authorized projects	3,107	5,260	2,500
9. Coordination Act studies (Fish and Wildlife Service)	475	513	550
10. Rehabilitation:			
(a) Major rehabilitation projects:			
(I) Advance engineering and design		727	328
(II) Construction—navigation:			
(1) Bodega Bay, Calif.		405	75
(2) Morro Bay, Calif.			490
(3) Calumet Harbor and River, Ill. and Ind.			230
(4) Grand Haven Harbor, Mich.			300
(5) Menominee Harbor, Mich. and Wis.			265
(6) St. Joseph Harbor, Mich.			300
(7) South Haven Harbor, Mich.			300
(8) Great Sodus Bay Harbor, N.Y.			240
(9) Cape Fear River, N.C. (lock No. 1)			375
(10) Cleveland Harbor, Ohio			200
(11) Columbia River at the mouth, Oregon			700
(12) Coos Bay, Oreg. (south jetty)			500
(13) Siuslaw River, Oreg. (south jetty)			500
(14) Umpqua River, Oregon			500
(15) Point Judith Harbor, R.I.			450
(16) Galveston Harbor, Tex.			500
(17) Burlington Harbor, Vt.			275
(18) Milwaukee Harbor, Wis.			250
(19) Sheboygan Harbor, Wis.			200

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
10. Rehabilitation.—Continued			
(a) Major rehabilitation projects—Con.			
(III) Construction—flood control:			
(1) Canton Reservoir, Okla.			350
Total, major rehabilitation-construction		405	7,000
(b) Minor rehabilitation projects		2,500	2,500
Total rehabilitation		3,632	9,828
11. Undistributed reduction based on anticipated delays and savings			-50,000
Total obligations	672,945	742,374	712,503
Financing:			
Comparative transfers to other accounts	1,079	2,029	
Unobligated balance brought forward	-62,402	-49,842	-11,931
Recovery of prior year obligations	-108		
Unobligated balance carried forward	49,842	11,931	
New obligational authority (appropriation)	661,356	706,492	700,572

The requested appropriation of \$700.6 million represents a decrease of \$5.9 million compared with the amount appropriated for 1961, and an increase of \$39.2 million compared with 1960. About 74% of the requested appropriation will be applied to 42 major projects in amounts of \$5 million or more each.

The monetary authorization available for appropriation after 1962 for projects in this program amounts to \$4,299.7 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 in the following table:

NUMBER AND ESTIMATED COST OF AUTHORIZED PROJECTS¹

Activity:	Number of authorized projects				Estimated cost in millions				
	Total	Completed ²	Underway ³	Balance authorized ⁴	Total	To June 30, 1960	1961	1962	Balance to complete
Navigation ⁵	2,438	2,121	188	129	\$5,480.2	\$2,582.0	\$211.3	\$197.3	\$2,489.6
Alteration of bridges	19	10	8	1	36.6	30.7	2.3	0.6	3.0
Beach erosion control	88	21	16	51	58.3	6.5	1.2	0.4	50.2
Flood control ⁶	830	401	189	240	5,873.6	2,425.0	228.5	282.5	2,937.6
Multiple-purpose projects, including power	62	22	28	12	5,746.6	3,163.9	254.9	252.8	2,075.0
Total	3,437	2,575	429	433	17,195.3	8,208.1	698.2	773.6	7,555.4

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 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 \$683.6 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 or initiation of planning on other needed projects. The program of restudying deferred projects will be continued.

2. *Navigation projects.*—This activity includes improvement of channels and harbors by dredging and by construction of breakwaters, jetties, and dikes and construction of locks, dams, and canals. Provision also is made for the construction of small navigation projects not specifically authorized by Congress.

With the funds requested, work will be continued on 32 channel and harbor projects, of which 8 will be completed, and on 11 lock, dam, and canal projects, of which

one will be completed in 1962. Construction will be initiated on 10 channel and harbor and 2 lock and dam projects or project modifications as follows:

CHANNEL AND HARBOR PROJECTS

- | | |
|---|---|
| 1. Noyo River and Harbor, Calif. | 7. Ashtabula Harbor, Ohio (channel deepening and turning basin) |
| 2. Santa Cruz Harbor, Calif. | 8. Cleveland Harbor, Ohio (approach channel, outer harbor and lower Cuyahoga River) |
| 3. Calumet Harbor and River, Ill. and Ind. | 9. San Juan Harbor, Puerto Rico |
| 4. Detroit River, Mich. (Trenton Channel) | 10. Everett Harbor, Snohomish River, Wash. |
| 5. Duluth-Superior Harbor, Minn. and Wis. (outer harbor) | |
| 6. Buffalo Harbor, N.Y. (south entrance and south outer harbor) | |

LOCK AND DAM PROJECTS

- | | |
|----------------------------|--|
| 1. Holt lock and dam, Ala. | 2. Belleville locks and dam, Ohio and W. Va. |
|----------------------------|--|

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

[In thousands of dollars]

NAVIGATION PROJECTS	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
(a) Channels and harbors:										
Projects specifically authorized by Congress:										
(3) Arkansas River and tributaries, Arkansas and Oklahoma (bank stabilization and channel rectification).....	121,400	26,710	3,530	8,508	12,614	614	-----	12,000	70,038	42.3
(4) Half Moon Bay, Calif. (Pillar Point).....	5,170	525	1,563	1,871	1,211	-----	-----	1,211	-----	100.0
(5) Noyo River and Harbor, Calif.....	2,580	14	-----	136	320	20	-----	300	2,210	14.3
(6) Playa del Rey Inlet and Harbor, Calif.....	2,320	916	482	398	524	-----	-----	524	-----	100.0
(9) Sacramento River, Calif.....	43,400	13,564	7,751	6,816	4,400	200	100	4,300	10,769	75.2
(10) Santa Cruz Harbor, Calif.....	1,970	163	130	118	300	-----	-----	300	1,559	20.9
(11) Bridgeport Harbor, Conn.....	3,365	15	-----	750	2,600	-----	-----	2,600	-----	100.0
(13) Intracoastal Waterway, Jacksonville to Miami, Fla. (Eau Gallie to Fort Pierce).....	12,600	6,622	904	428	1,000	-----	-----	1,000	3,646	71.1
(14) Intracoastal Waterway, Caloosahatchee River to Anclote River, Fla.....	8,700	387	157	1,371	1,300	300	-----	1,000	5,485	37.0
(15) Port Everglades Harbor, Fla.....	8,330	166	-----	750	2,200	-----	-----	2,200	5,314	36.2
(19) Savannah River below Augusta, Ga.....	3,660	751	481	1,559	869	100	-----	769	-----	100.0
(22) Calumet Harbor and River, Ill. and Ind.....	8,160	127	-----	170	400	-----	-----	400	7,663	6.1
(24) Mississippi River between Ohio and Missouri Rivers (regulating works).....	63,300	43,928	1,032	1,838	2,000	100	100	2,000	14,402	77.1
(25) Mississippi River between St. Louis, Mo., and lock and dam 26, Illinois and Missouri.....	4,640	428	187	1,587	1,379	479	100	1,000	959	77.2
(28) Missouri River:										
Sioux City, Iowa, to Omaha, Nebr.....	113,000	59,874	6,247	5,530	5,600	100	100	5,600	35,649	68.4
Omaha, Nebr., to Kansas City, Mo.....	117,000	100,583	2,618	2,786	2,800	100	100	2,800	8,113	93.0
Kansas City, Mo., to mouth.....	124,000	111,754	3,352	3,424	3,500	100	100	3,500	1,870	98.4
(31) Mississippi River, Baton Rouge to the Gulf of Mexico, La.....	8,300	689	675	2,017	2,500	100	100	2,500	2,319	67.6
(32) Mississippi River-Gulf outlet, La.....	105,000	4,632	3,999	9,850	8,500	138	138	8,500	77,881	25.7
(33) Aquatic plant control in the waters of the Gulf and South Atlantic States.....	6,187	236	463	734	905	9	104	1,000	3,745	37.7
(34) Eastport Harbor, Maine.....	605	10	-----	300	295	-----	-----	295	-----	100.0
(37) Baltimore Harbor and channels, Maryland.....	32,330	8,358	-----	1,900	4,800	-----	200	5,000	17,072	46.6
(39) Detroit River, Mich. (Trenton Channel).....	9,250	125	-----	190	300	-----	100	400	8,735	4.5
(41) Great Lakes connecting channels, Michigan.....	136,000	44,315	15,184	31,078	24,066	6,966	2,000	19,100	19,357	84.3
(44) New Poe lock, St. Marys River, Mich.....	40,300	258	395	1,422	4,200	-----	300	4,500	33,725	15.6
(45) Saginaw River, Mich.....	5,100	101	9	752	1,862	262	100	1,700	2,276	53.4
(47) Duluth-Superior Harbor, Minn. and Wis. (outer harbor).....	2,640	112	-----	160	400	-----	-----	400	2,168	17.9
(48) Minnesota River, Minn.....	2,700	140	139	79	675	225	-----	450	1,867	31.8
(50) Delaware River, Philadelphia to Trenton, Pa., N.J., and Del.....	80,000	24,214	14,369	13,045	12,200	500	300	12,000	15,872	79.8
(52) Buffalo Harbor, N.Y. (south entrance and south outer harbor).....	2,720	118	-----	116	350	-----	-----	350	2,336	14.1
(53) Buffalo Harbor, N.Y. (north entrance).....	11,290	5,226	2,039	1,505	1,930	1,530	200	600	390	94.8
(55) Hudson River 32-foot channel to Albany, N.Y.....	37,200	165	148	2,087	4,800	100	300	5,000	29,800	19.1
(56) Jamaica Bay, N.Y.....	846	16	-----	401	439	-----	-----	439	-----	100.0
(59) Ashtabula Harbor, Ohio (channel deepening and turning basin).....	4,630	118	-----	140	400	-----	-----	400	4,172	19.9
(60) Cleveland Harbor, Ohio (approach channel, outer harbor and lower Cuyahoga River).....	2,860	115	-----	120	400	-----	-----	400	2,425	15.2

1 Advance engineering and design only.

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
NAVIGATION PROJECTS—CON.										
(63) San Juan Harbor, Puerto Rico.....	7,200	115	-----	170	600	-----	-----	600	6,515	19.5
(66) Gulf Intracoastal Waterway:										
Channel to Port Mansfield, Tex.	4,320	115	116	1,550	2,539	-----	100	2,639	-----	97.6
Guadalupe River, channel to Victoria, Tex.	6,570	968	711	1,261	900	-----	-----	900	2,730	58.5
(67) Houston ship channel, Texas.....	9,210	18	-----	1,100	2,800	-----	200	3,000	5,102	44.6
(68) Port Aransas-Corpus Christi Waterway, Tex. (36-foot channel).....	6,320	1,960	1,593	1,512	1,255	-----	-----	1,255	-----	100.0
(69) Sabine-Neches Waterway, Tex.....	11,600	2,569	1,685	1,670	1,800	-----	-----	1,800	3,876	66.6
(70) Everett Harbor, Snohomish River, Wash.	3,029	118	-----	-----	200	-----	-----	200	2,811	71.9
Projects not budgeted in 1962.....	301,632	209,689	48,617	27,860	2,058	4,058	2,000	-----	11,408	95.6
Projects not specifically authorized by Congress.....	500	-----	-----	-----	500	-----	-----	500	-----	100.0
Total, channels and harbors.....	1,482,103	669,727	118,387	138,177	124,690	15,999	6,741	115,432	424,381	70.9
(b) Locks and dams:										
(1) Holt lock and dam, Alabama.....	33,700	180	1165	1555	750	-----	-----	750	32,150	4.6
(2) Jackson lock and dam, Alabama.....	21,704	8,965	7,977	4,487	275	-----	-----	275	-----	100.0
(3) Columbia lock and dam, Alabama and Georgia.....	13,600	639	931	3,473	4,700	-----	-----	4,700	3,857	71.6
(4) Illinois Waterway, Ill. (Calumet-Sag modification, Lake Calumet to Sag Junction).....	92,000	19,970	9,998	9,464	5,500	500	-----	5,000	47,068	48.8
(5) Mississippi River between the Missouri River and Minneapolis, Minn: St. Anthony Falls, Minn.....	31,900	13,060	1,830	5,140	6,140	440	300	6,000	5,430	82.0
(6) Markland lock and dam, Indiana, Kentucky, and Ohio.....	65,800	24,548	8,800	12,285	13,840	1,145	1,005	13,700	5,322	90.4
(7) McAlpine lock and dam, Kentucky, and Indiana.....	51,800	9,723	11,579	8,141	5,812	616	304	5,500	16,241	68.1
(8) Captain Anthony Meldahl locks and dam, Kentucky and Ohio.....	77,900	4,480	10,478	14,101	19,000	1,050	1,550	19,500	28,291	61.7
(9) Great Lakes-Hudson River Waterway, N.Y.....	37,300	23,382	710	791	770	-----	-----	770	11,647	68.8
(10) Belleville locks and dam, Ohio and West Virginia.....	60,800	159	159	1313	900	-----	-----	900	59,469	21.9
(11) Pike Island locks and dam, Ohio and West Virginia.....	62,900	671	4,125	8,890	14,400	360	560	14,600	34,254	44.7
(12) Maxwell locks and dam, Pennsylvania.....	33,900	304	228	1,422	5,300	-----	200	5,500	26,446	21.4
(13) Opekiska lock and dam, West Virginia.....	25,300	1245	118	501	2,900	-----	100	3,000	21,536	14.5
Projects not budgeted in 1962.....	161,684	121,832	19,409	16,014	2,429	4,429	2,000	-----	-----	98.8
Total, locks and dams.....	770,288	227,959	76,307	85,577	82,716	8,539	6,018	80,195	291,711	61.4
Total, navigation projects.....	2,252,391	897,686	194,694	223,754	207,406	24,538	12,759	195,627	716,092	67.6

¹ Advance engineering and design only.

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 two bridges which will be completed in 1962.

[In thousands of dollars]

ALTERATION OF BRIDGES OVER NAVIGABLE WATERS	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
(1) Chicago, Burlington & Quincy RR. Bridge, Quincy, Ill.....	3,360	298	1,419	1,452	191	-----	-----	191	-----	100.0
(4) Ohio Street Bridge, Buffalo Harbor, N.Y.	2,760	10	351	1,959	440	-----	-----	440	-----	100.0
Projects not budgeted in 1962.....	23,552	15,550	5,936	2,066	-----	-----	-----	-----	-----	100.0
Total, alteration of bridges.....	29,672	15,859	7,706	5,476	631	-----	-----	631	-----	100.0

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

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 and possessions. Federal contributions may not exceed one-third of the construction costs of such projects.

With the funds requested, reimbursements will be made to compensate local interests on five projects as follows:

1. Imperial Beach, Calif.
2. Silver Beach to Cedar Beach, Conn.
3. Key West, Fla.
4. Lake Worth Inlet to South Lake Worth Inlet, Fla.
5. Atlantic City, N.J.

[In thousands of dollars]

BEACH EROSION CONTROL PROJECTS	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
(1) Imperial Beach, Calif.	98	3	-----	-----	27	-----	-----	27	68	30.6
(2) Silver Beach to Cedar Beach, Conn.	67	5	-----	-----	34	-----	-----	34	28	58.2
(4) Key West, Fla.	397	11	-----	-----	115	-----	-----	115	271	29.0
(5) Lake Worth Inlet to South Lake Worth Inlet, Fla.	410	27	-----	118	6	-----	-----	6	259	36.8
(8) Atlantic City, N.J.	2,203	872	33	4	140	-----	-----	140	1,154	47.6
Projects not budgeted in 1962.	5,380	237	941	797	-----	-----	-----	-----	3,405	36.7
Total, beach erosion control projects..	8,555	1,156	974	919	322	-----	-----	322	5,184	39.4

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 50 local protection projects, 11 of which will be completed, and on 39 reservoir projects, 7 of which will be completed

in 1962. Nine new local protection projects and six new reservoir projects will be initiated as follows:

LOCAL PROTECTION PROJECTS

1. Paint Rock River, Ala.
2. Pawcatuck, Conn.¹
3. Mason J. Niblack levee, Ind.
4. Iowa River-Flint Creek levee district No. 16, Iowa
5. Frankfort, Kans.
6. Socorro, N. Mex.
7. Herkimer, N.Y.
8. Turtle Creek, Pa.
9. Texas City, Tex.

RESERVOIR PROJECTS

1. East Branch Reservoir, Conn.
2. Salamonie Reservoir, Ind.
3. Fishtrap Reservoir, Ky.
4. Littleville Reservoir, Mass.
5. Curwensville Reservoir, Pa.
6. Stillhouse Hollow (Lampasas) Reservoir, Tex.

¹ To be completed with funds recommended for 1962.

[In thousands of dollars]

FLOOD CONTROL PROJECTS	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
(a) Local protection:										
(I) Projects specifically authorized by Congress:										
(1) Paint Rock River, Ala.	800	98	1	10	150	-----	-----	150	541	32.4
(2) Gila River-Camelsback Reservoir site to Salt River, Ariz.	1,700	83	63	193	700	-----	100	800	561	61.1
(4) Devil, East Twin, Warm, and Lytle Creeks, Calif.	7,700	3,347	1,595	1,276	1,482	-----	-----	1,482	-----	100.0
(5) Los Angeles County drainage area, California (exclusive of Whittier Narrows Reservoir)....	300,000	191,558	14,181	13,511	16,147	1,149	1,002	16,000	63,601	78.1
(6) Lower San Joaquin River and tributaries, California.	13,100	3,012	855	1,024	1,100	100	300	1,300	6,809	45.7
(7) Middle Creek, Calif.	2,597	778	647	471	601	66	100	635	-----	96.2
(9) Sacramento River flood control, California.	76,700	61,326	1,869	1,928	1,963	263	200	1,900	9,414	87.5
(10) Sacramento River and major and minor tributaries, California.	23,500	3,638	1,117	924	400	100	-----	300	17,421	25.9
(12) San Jacinto River and Bautista Creek, Calif.	3,520	158	196	1,180	1,886	100	100	1,886	-----	97.2
(15) Santa Maria Valley levees, California.	5,400	389	1,139	1,650	2,022	200	200	2,022	-----	96.3
(16) Truckee River and tributaries, California and Nevada.	1,200	113	579	151	357	-----	-----	357	-----	100.0
(17) Pawcatuck, Conn.	419	110	-----	38	371	-----	-----	371	-----	100.0
(18) Central and southern Florida.	242,300	47,598	8,645	11,765	12,800	304	504	13,000	160,988	33.4
(21) Beardstown, Ill.	7,060	2,130	209	772	1,189	489	300	1,000	2,460	60.9

¹ Advance engineering and design only.

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
FLOOD CONTROL PROJECTS—Con.										
(a) Local protection:										
(1) Projects specifically authorized by Congress—Continued										
(22) Clear Creek drainage and levee district, Illinois.....	5,268	4,197	194	13	558	270	-----	288	306	94.2
(23) Drury drainage and levee district, Illinois.....	1,400	61	12	182	610	310	-----	300	535	61.8
(24) East St. Louis and vicinity, Illinois.....	21,900	11,003	1,622	2,773	2,892	396	104	2,600	3,506	83.5
(26) Hunt and Lima Lake drainage district, Illinois.....	4,620	1,167	28	1,515	970	70	-----	900	1,940	58.0
(27) Sny Basin, Ill.....	21,400	837	381	1,684	4,163	363	200	4,000	14,135	33.5
(28) Wood River drainage and levee district, Illinois.....	14,806	11,052	795	1,424	1,335	135	200	1,400	-----	98.7
(29) Evansville, Ind.....	14,300	2,406	78	85	437	137	-----	300	11,294	21.1
(30) Mason J. Niblack levee, Indiana.....	3,520	1,65	1,41	1,24	350	-----	-----	350	3,040	13.6
(32) West Terre Haute, Ind.....	945	1,8	1,27	47	579	79	-----	500	284	70.0
(33) Floyd River and tributaries, Iowa.....	10,700	1,136	1,133	300	950	450	300	800	8,881	14.2
(34) Iowa River-Flint Creek levee district No. 16, Iowa.....	7,920	1,130	1,67	1,93	300	-----	-----	300	7,330	7.5
(35) Little Sioux River, Iowa.....	15,600	5,411	2,596	3,040	2,800	300	200	2,700	1,553	88.8
(37) Muscatine Island levee district and Muscatine-Louisa County drainage district No. 13, Iowa.....	3,270	136	538	1,007	550	450	200	300	839	68.2
(38) Frankfort, Kans.....	1,200	1,12	1,29	1,40	400	-----	-----	400	719	40.1
(39) Kansas Cities on the Missouri and Kansas Rivers, Kans. and Mo.....	43,300	38,771	88	550	1,113	213	100	1,000	2,678	93.6
(40) Manhattan, Kans.....	3,240	105	75	533	700	-----	-----	800	1,727	43.6
(42) Ottawa, Kans.....	4,660	792	633	1,485	1,281	131	100	1,250	369	89.9
(43) Topeka, Kans.....	22,100	2,771	2,199	2,444	2,400	200	200	2,400	12,086	44.4
(47) Red River levees and bank stabilization below Denison Dam, La., Tex., and Ark.....	10,100	7,488	601	678	300	-----	-----	300	1,033	89.8
(50) Battle Creek, Mich.....	6,400	2,226	243	1,464	565	515	200	250	1,702	70.3
(53) St. Paul and South St. Paul, Minn.....	7,310	1,173	1,120	531	1,400	100	200	1,500	4,886	30.4
(54) Bear Creek, Mo.....	1,720	322	38	783	255	255	200	200	122	81.3
(58) Perry County drainage and levee districts 1, 2, and 3, Missouri.....	7,060	5,315	-----	75	400	-----	-----	400	1,270	82.0
(59) St. Louis, Mo.....	120,000	2,864	2,585	4,962	8,900	1,110	710	8,500	99,979	16.1
(61) Salt Creek and tributaries, Nebraska.....	17,700	1,70	1,55	413	1,550	-----	200	1,750	15,412	11.8
(62) Rio Grande floodway, Cochiti to Rio Puerco unit, New Mexico.....	3,700	1,80	556	1,049	1,915	100	100	1,915	-----	97.3
(63) Socorro, N. Mex.....	3,700	1,69	1,76	158	400	-----	-----	400	2,997	19.0
(64) Two Rivers, N. Mex.....	6,900	1,369	99	320	2,800	-----	200	3,000	3,112	52.0
(66) Herkimer, N.Y.....	765	1,7	1,26	1,21	250	-----	-----	250	461	39.7
(71) Lower Columbia River bank protection, Oregon and Washington.....	8,600	1,64	1,10	387	600	-----	-----	600	7,539	12.3
(72) Lower Columbia River, improvement to existing work:										
Rainier drainage district, Oregon.....	612	1,35	1,4	192	381	-----	-----	381	-----	100.0
Sauvie Island drainage district.....	465	1,58	1,6	142	259	-----	-----	259	-----	100.0
(73) Willamette River Basin, Ore. (bank protection).....	12,500	7,328	448	514	500	-----	-----	500	3,710	70.3
(74) Bethlehem, Pa.....	8,850	354	339	887	1,800	100	200	1,900	5,270	38.2
(76) Brookville, Pa.....	1,124	1,75	31	353	665	440	-----	225	-----	100.0
(77) Ridgway, Pa.....	670	1,20	1,31	103	275	25	-----	250	241	64.0
(78) Turtle Creek, Pa.....	16,000	1,95	1,25	1,150	400	-----	-----	400	15,330	4.2
(79) Washington, Pa.....	1,410	1,61	1,34	332	625	75	-----	550	358	74.6
(80) Fox Point hurricane barrier, Rhode Island.....	11,426	373	498	765	3,000	100	300	3,200	6,490	40.6
(82) Buffalo Bayou, Tex.....	54,000	19,970	2,908	2,477	3,500	100	100	3,500	25,045	53.4
(83) San Antonio Channel, Tex.....	20,600	1,507	1,073	1,125	2,296	100	204	2,400	14,395	29.1
(84) Texas City, Tex.....	6,670	1,49	1,70	1,221	400	-----	-----	400	5,930	11.1
(85) Colfax, Wash.....	3,690	1,189	1,89	236	700	200	100	600	2,376	32.9
(88) Williamson, W. Va.....	852	1,4	1,30	205	613	134	-----	479	-----	100.0
(89) Sheridan, Wyo.....	1,800	154	40	236	650	150	-----	500	720	60.0
Projects not budgeted in 1962.....	475,016	240,621	28,960	19,823	2,436	4,436	2,000	-----	181,176	61.8
(II) Projects not specifically authorized by Congress.....	11,312	-----	2,960	3,352	3,600	4,000	1,400	1,000	-----	87.6
(III) Emergency bank protection.....	990	-----	173	277	455	390	85	150	-----	91.4
(IV) Snagging and clearing.....	1,772	-----	476	511	675	685	110	100	-----	93.8
Total, local protection.....	1,709,859	682,242	83,233	94,873	106,123	19,291	10,818	97,650	732,570	56.5

¹ Advance engineering and design only.

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
FLOOD CONTROL PROJECTS—Con.										
(b) Reservoirs:										
(3) Millwood Reservoir, Ark.....	55,700	1 364	1 182	510	2,300	-----	200	2,500	52,144	6.0
(4) Black Butte Reservoir, Calif.....	13,000	949	1,538	4,415	4,300	300	300	4,300	1,498	86.2
(6) New Hogan Reservoir, Calif.....	18,000	730	459	2,371	4,300	-----	200	4,500	9,940	43.7
(7) Pine Flat Reservoir, Calif.....	40,950	39,057	92	180	1,521	-----	100	1,621	-----	99.8
(8) Russian River Reservoir, Calif.....	14,252	11,276	173	426	700	-----	-----	700	1,677	88.2
(10) Terminus Reservoir, Calif.....	20,601	4,229	6,585	6,499	3,288	-----	-----	3,288	-----	100.0
(11) East Branch Reservoir, Conn.....	2,010	1 20	-----	1 150	250	-----	-----	250	1,590	20.9
(12) Hall Meadow Brook Reservoir, Conn.....	2,573	20	180	773	1,400	200	200	1,400	-----	92.2
(13) Mad River Reservoir, Conn.....	5,430	18	221	540	1,800	200	200	1,800	2,651	47.5
(16) Carlyle Reservoir, Ill.....	40,000	1,781	2,928	3,034	3,500	311	311	3,500	28,446	28.1
(17) Huntington Reservoir, Ind. (road re-location).....	250	-----	-----	-----	250	-----	-----	250	-----	100.0
(19) Monroe Reservoir, Ind.....	6,080	1 58	1 76	275	840	2	102	940	4,729	25.2
(20) Salamonie Reservoir, Ind.....	17,100	1 28	1 152	1 65	696	-----	4	700	16,155	5.5
(21) Red Rock Reservoir, Iowa.....	68,500	1,675	914	3,577	6,284	284	500	6,500	55,550	18.2
(22) Council Grove Reservoir, Kans.....	12,900	161	432	1,825	3,400	100	300	3,600	6,782	45.1
(23) John Redmond Reservoir, Kans.....	32,800	787	1,449	3,219	6,600	200	300	6,700	20,445	36.8
(24) Milford Reservoir, Kans.....	60,600	1 353	1 201	464	2,440	40	100	2,500	57,042	5.7
(25) Pomona Reservoir, Kans.....	14,800	846	1,750	3,319	4,806	213	207	4,800	3,872	72.4
(26) Tuttle Creek Reservoir, Kans.....	82,200	40,410	12,868	18,860	6,531	2,040	509	5,000	3,022	95.7
(27) Wilson Reservoir, Kans.....	20,600	242	280	1,381	3,310	350	240	3,200	15,147	25.3
(29) Fishtrap Reservoir, Ky.....	43,800	1 82	1 208	1 385	900	-----	-----	900	42,225	3.6
(30) Nolin Reservoir, Ky.....	15,200	727	1,488	2,854	7,114	120	206	7,200	2,811	80.2
(31) No. 2 Barren River Reservoir, Ky.....	22,700	213	727	2,121	4,486	187	201	4,500	14,952	33.2
(33) Littleville Reservoir, Mass.....	7,000	1 18	1 58	1 194	300	-----	-----	300	6,430	8.1
(35) Westville Reservoir, Mass.....	5,883	309	713	2,961	1,700	200	200	1,700	-----	96.6
(36) Pomme de Terre Reservoir, Mo.....	15,600	6,069	3,332	3,831	1,701	101	100	1,700	567	95.7
(37) Hopkinton-Everett Reservoir, N.H.....	24,000	2,008	3,830	7,677	6,465	465	200	6,200	3,820	83.3
(38) Chamita (Abiquiu) Reservoir, N. Mex.....	18,140	6,189	2,804	4,758	4,289	101	100	4,288	-----	99.4
(39) Wilkesboro Reservoir, N.C.....	8,500	364	736	3,096	2,000	100	100	2,000	2,204	72.9
(42) West Branch Mahoning River Reservoir, Ohio.....	11,290	235	118	418	2,400	-----	200	2,600	7,919	28.1
(43) Broken Bow Reservoir, Okla.....	14,000	146	167	252	900	-----	100	1,000	12,435	10.5
(44) Keystone Reservoir, Okla.....	111,000	8,697	10,085	18,911	27,300	372	572	27,500	45,435	58.6
(46) Oologah Reservoir, Okla.....	35,100	14,229	12,859	6,031	1,781	222	200	1,759	-----	99.4
(47) Allegheny River Reservoir, Pa. and N.Y.....	114,000	1,425	859	5,644	14,700	200	500	15,000	90,872	19.8
(49) Curwensville Reservoir, Pa.....	22,500	1 271	1 235	1 283	750	-----	-----	750	20,961	7.7
(50) Kettle Creek Reservoir, Pa.....	6,420	1,104	1,888	2,095	1,233	100	100	1,233	-----	98.4
(52) Shenango River Reservoir, Pa. and N.Y.....	32,000	401	305	2,406	6,800	-----	200	7,000	21,888	31.0
(54) Canyon Reservoir, Tex.....	17,300	2,712	2,330	2,970	2,902	5	103	3,000	6,283	63.1
(57) Navarro Mills Reservoir, Tex.....	9,700	258	1,127	2,965	3,440	40	100	3,500	1,810	80.3
(58) Proctor Reservoir, Tex.....	18,000	298	340	1,440	4,587	187	100	4,500	11,235	37.0
(60) Stillhouse Hollow (Lampasas) Reservoir, Tex.....	23,000	1 226	1 132	1 5	500	-----	-----	500	22,137	3.8
(62) Waco Reservoir, Tex.....	37,300	1,354	4,459	9,052	8,535	344	309	8,500	13,591	62.7
(68) John W. Flannagan (Pound) Reservoir, Va.....	17,000	332	841	2,344	4,086	16	130	4,200	9,267	44.7
(69) Howard A. Hansen Reservoir, Wash.....	38,000	22,469	5,848	4,580	4,112	212	200	4,100	791	97.4
(70) Summersville Reservoir, W. Va.....	47,800	571	1,336	3,882	8,790	116	326	9,000	32,895	30.5
Projects not budgeted in 1962.....	610,800	502,777	56,702	30,091	279	2,279	2,000	-----	18,951	96.6
Total, reservoirs.....	1,854,378	676,486	144,002	173,133	180,531	9,606	10,054	180,979	670,172	63.3
Total, flood control projects.....	3,564,237	1,358,728	227,235	268,006	286,654	28,897	20,872	278,629	1,402,742	60.0

1 Advance engineering and design only.

6. *Multiple-purpose projects, including power.*—With the funds requested, work will be continued on 22 multiple-purpose projects with power installations, one of which will be completed in 1962.

[In thousands of dollars]

MULTIPLE-PURPOSE PROJECTS, INCLUDING POWER	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
	(1) Walter F. George lock and dam, Alabama and Georgia.....	78,900	21,089	13,142	18,704	15,604	513	509	15,600	9,852	86.9
(2) Beaver Reservoir, Ark.....	51,100	911	1,463	2,995	9,461	234	273	9,500	35,997	29.0
(3) Bull Shoals Reservoir, Ark. and Mo. (units 5 and 6).....	6,270	268	1,661	3,047	1,000	-----	-----	1,000	294	95.3
(4) Bull Shoals Reservoir, Ark. and Mo. (units 7 and 8).....	7,900	-----	-----	100	1,500	-----	-----	1,500	6,300	20.3
(5) Dardanelle lock and dam, Arkansas.....	90,000	2,292	5,296	5,683	9,046	363	317	9,000	67,366	24.8
(6) Greers Ferry Reservoir, Ark.....	49,800	5,039	6,854	14,199	12,523	262	239	12,500	10,946	77.5
(7) Hartwell Reservoir, Ga. and S.C.....	89,300	30,411	17,472	22,532	10,200	500	300	10,000	8,385	90.3
(8) Barkley Dam and Reservoir, Ky. and Tenn.....	183,000	14,387	18,892	15,401	21,708	244	536	22,000	112,076	38.8
(10) Fort Peck Dam, Mont. (2d powerplant).....	26,000	8,971	10,021	3,838	802	102	-----	700	2,368	90.9
(11) Garrison Reservoir, N. Dak.....	294,000	279,269	4,563	3,593	941	507	416	850	5,218	98.1
(12) Eufaula Reservoir, Okla.....	126,000	8,875	10,028	18,049	28,030	571	541	28,000	60,477	51.6
(14) Cougar Reservoir, Oreg.....	49,200	11,052	5,614	12,681	11,905	435	530	12,000	7,418	83.8
(15) Green Peter Reservoir, Oreg.....	72,300	1,032	1,821	1,298	5,767	22	255	6,000	63,866	11.3
(16) Hills Creek Reservoir, Oreg.....	45,800	24,070	9,654	9,809	2,167	467	100	1,800	-----	99.8
(17) John Day lock and dam, Oregon and Washington.....	400,000	6,469	11,444	32,588	32,486	7,679	6,193	31,000	310,820	20.7
(18) McNary lock and dam, Oregon and Washington.....	294,000	284,979	670	536	354	69	-----	285	7,461	97.5
(20) Big Bend Reservoir, S. Dak.....	127,500	1,172	1,658	9,127	21,950	672	722	22,000	92,871	26.6
(21) Fort Randall Reservoir, S. Dak.....	197,500	187,562	692	829	1,046	46	-----	1,000	7,371	96.3
(22) Oahe Reservoir, S. Dak.....	360,033	165,302	48,330	48,950	40,055	2,613	2,558	40,000	54,838	84.1
(25) McGee Bend Dam, Tex.....	57,900	8,103	7,078	7,115	9,304	216	512	9,600	25,788	54.6
(27) Ice Harbor lock and dam, Washington.....	123,000	53,263	27,430	30,017	8,227	2,027	2,000	8,200	2,063	96.7
(28) Lower Monumental lock and dam, Washington.....	150,000	1,261	1,814	919	6,016	141	2,125	8,000	138,865	6.0
Projects not budgeted in 1962.....	1,316,750	1,288,217	16,696	6,456	199	1,199	1,000	-----	4,182	99.7
Total, multiple-purpose projects.....	4,196,252	2,403,996	219,554	268,465	250,290	18,881	19,126	250,535	1,034,821	74.9

¹ Advance design and engineering 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 thousand or less.

9. *Fish and wildlife studies.*—This program provides for detailed studies and reports by the Fish and Wildlife Service to determine the effects on fish and wildlife resources of water-control projects of the Corps of Engineers. Prior

to 1960, this activity was financed by charges against individual projects.

10. *Rehabilitation.*—Provision is made for the planning and the accomplishment of major rehabilitation work on completed projects, each of which has an estimated Federal cost of more than \$400 thousand, and for work on minor rehabilitation projects, each of which has an estimated Federal cost of \$400 thousand or less. The major rehabilitation work consists of the repair of breakwaters, revetments, and piers on 1 flood control and 19 navigation projects.

[In thousands of dollars]

REHABILITATION	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
	(a) Major rehabilitation projects:									
(I) Advance engineering and design.....	1,055	-----	-----	727	328	-----	-----	328	-----	-----
Deduct amounts reflected under named projects.....	707	-----	-----	707	-----	-----	-----	-----	-----	-----
(II) Construction—navigation:										
(1) Bodega Bay, Calif.....	480	-----	-----	405	75	-----	-----	75	-----	100.0
(2) Morro Bay, Calif.....	1,493	-----	-----	-----	490	-----	-----	490	1,003	32.8
(3) Calumet Harbor and River, Ill. and Ind.....	700	-----	-----	31	230	-----	-----	230	439	37.3
(4) Grand Haven Harbor, Mich.....	2,625	-----	-----	27	300	-----	-----	300	2,298	12.5
(5) Menominee Harbor, Mich. and Wis.....	1,450	-----	-----	32	265	-----	-----	265	1,153	20.5
(6) St. Joseph Harbor, Mich.....	2,480	-----	-----	84	300	-----	-----	300	2,096	15.5
(7) South Haven Harbor, Mich.....	2,085	-----	-----	63	300	-----	-----	300	1,722	7.41

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
REHABILITATION—Continued										
(a) Major rehabilitation projects—Con.										
(II) Construction—Navigation—Con.										
(8) Great Sodas Bay Harbor, N.Y.	662			32	240			240	390	41.1
(9) Cape Fear River, N.C. (lock No. 1)	770				375			375	395	48.7
(10) Cleveland Harbor, Ohio	455			20	200			200	235	48.4
(11) Columbia River at the mouth, Oregon	6,590			50	700			700	5,840	11.4
(12) Coos Bay, Ore. (south jetty)	2,800			50	500			500	2,250	19.6
(13) Siuslaw River, Ore. (south jetty)	1,200			30	500			500	670	44.2
(14) Umpqua River, Ore.	1,500			30	500			500	970	35.3
(15) Point Judith Harbor, R.I.	1,050			13	450			450	587	44.1
(16) Galveston Harbor, Tex.	9,280			85	500			500	8,695	6.3
(17) Burlington Harbor, Vt.	950			50	275			275	625	34.2
(18) Milwaukee Harbor, Wis.	1,600			71	250			250	1,279	20.1
(19) Sheboygan Harbor, Wis.	1,342			32	200			200	1,110	17.3
(III) Construction—flood control:										
(i) Canton Reservoir, Okla.	697			7	350			350	340	51.2
Total, major rehabilitation—construction	40,209			1,112	7,000			7,000	32,097	20.2
(b) Minor rehabilitation projects	5,000			2,500	2,500			2,500		100.0
Total, rehabilitation	45,557			3,632	9,828			9,828	32,097	29.5

The various activities in the construction program are summarized in the following cost tabulation:

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
PROGRAM BY ACTIVITIES										
1. Advance engineering and design	80,811	28,800	10,211	13,227	11,636	2,000	314	9,950	16,623	
Deduct amounts reflected under named projects	24,872	15,619	5,411	3,822	20	20				
2. Navigation projects:										
(a) Channels and harbors:										
(I) Projects specifically authorized by Congress	1,481,603	669,727	118,387	138,177	124,190	15,999	6,741	114,932	424,381	70.9
(II) Projects not specifically authorized by Congress	500				500			500		100.0
(b) Locks and dams	770,288	227,959	76,307	85,577	82,716	8,539	6,018	80,195	291,711	61.4
3. Alteration of bridges over navigable waters	29,672	15,859	7,706	5,476	631			631		100.0
4. Beach erosion control projects	8,555	1,156	974	919	322			322	5,184	39.4
5. Flood control projects:										
(a) Local protection:										
(I) Projects specifically authorized by Congress	1,695,785	682,242	79,624	90,733	101,393	14,216	9,223	96,400	732,570	56.3
(II) Projects not specifically authorized by Congress	11,312		2,960	3,352	3,600	4,000	1,400	1,000		87.6
(III) Emergency bank protection	990		173	277	455	390	85	150		91.4
(IV) Snagging and clearing	1,772		476	511	675	685	110	100		93.8
(b) Reservoirs	1,854,378	676,486	144,002	173,133	180,531	9,606	10,054	180,979	670,172	63.3
6. Multiple-purpose projects, including power	4,196,252	2,403,996	219,554	268,465	250,290	18,881	19,126	250,535	1,034,821	74.9
7. Recreation on completed projects	9,691	1,616	2,144	2,706	2,975	225	250	3,000		97.4
8. Small authorized projects	14,372	1,924	3,800	4,948	2,700	2,200	1,000	1,500		93.0
9. Coordination Act studies (Fish and Wildlife Service)	1,551		488	513	550			550		100.0

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
PROGRAM BY ACTIVITIES—Con.										
10. Rehabilitation:										
(a) Major rehabilitation projects:										
(I) Advance engineering and design	1,055			727	328			328		
Deduct amounts reflected under named projects	707			707						
(II) Construction—navigation	39,512			1,105	6,650			6,650	31,757	19.6
(III) Construction—flood control	697			7	350			350	340	51.2
(b) Minor rehabilitation projects	5,000			2,500	2,500			2,500		100.0
11. Undistributed reduction based on anticipated delays and savings					-50,000			-50,000	50,000	
Total programs costs	10,178,217	4,694,146	661,395	787,824	722,972	76,721	54,321	700,572	3,257,559	
12. Relation of costs to obligations:										
Costs financed from obligations of other years, net (-)				-45,450	-10,469					
Obligations incurred for costs of other years, net			11,550							
Total obligations			672,945	742,374	712,503					

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	191	296	107	107
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered)	85,548	93,652	52,335	41,524
Advances (payments for goods and services on order not yet received)	3,362	2,182	287	
Construction facilities (acquisition value of facilities less depreciation charged to projects)	11,363	14,111	12,061	12,690
Total selected resources at end of year	100,464	110,241	64,790	54,321
Selected resources at start of year (-)	-100,464	-110,241	-64,790	
Adjustment of selected resources reported at start of year		1,773		
Costs financed from obligations of other years, net (-)			-45,450	-10,469
Obligations incurred for costs of other years, net		11,550		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation:			
Permanent positions	61,791	69,269	68,750
Positions other than permanent	779	678	678
Other personnel compensation	3,249	2,331	2,065
Pay to commissioned officers	425	525	525
Total personnel compensation	66,244	72,803	72,018
12 Personnel benefits:			
Civilian personnel benefits	3,657	4,450	4,401
Military personnel benefits	59	64	64
21 Travel and transportation of persons	1,088	1,180	1,100
22 Transportation of things	244	260	250
23 Rent, communications, and utilities	514	560	550

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
CORPS OF ENGINEERS—CIVIL—Con.			
24 Printing and reproduction	203	210	205
25 Other services	35,147	40,000	39,000
Services of—			
Other agencies	1,277	1,350	1,300
"Revolving fund, Corps of Engineers—Civil"	11,229	12,500	12,000
26 Supplies and materials	2,206	2,400	2,300
31 Equipment	656	700	680
32 Lands and structures	549,355	605,178	577,845
42 Insurance claims and indemnities	358	375	365
Subtotal	672,237	742,030	712,078
Deduct quarters and subsistence charges	396	400	400
Total, Corps of Engineers—Civil	671,841	741,630	711,678
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions	241	296	331
Positions other than permanent	14	16	19
Other personnel compensation	2	1	
Total personnel compensation	257	313	350
12 Personnel benefits: Civilian	20	25	26
21 Travel and transportation of persons	26	32	30
22 Transportation of things	3	3	3
23 Rent, communications, and utilities	6	7	7
24 Printing and reproduction	2	1	1
25 Other services	201	264	169
26 Supplies and materials	9	11	10
31 Equipment	6	6	6
32 Lands and structures	574	82	223
Total, allocation accounts	1,104	744	825
Total obligations	672,945	742,374	712,503
Obligations are distributed as follows:			
Corps of Engineers—Civil	671,841	741,630	711,678
Department of Agriculture (Forest Service)	5		
Department of the Interior:			
Bureau of Sport Fisheries and Wildlife	475	513	550
Bureau of Reclamation	624	231	275

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

CONSTRUCTION, GENERAL—continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
CORPS OF ENGINEERS—CIVIL			
Total number of permanent positions.....	10,266	10,676	10,520
Full-time equivalent of other positions.....	224	208	208
Average number of all employees.....	10,251	10,585	10,444
Number of employees at end of year.....	10,831	11,235	11,231
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	50	50	57
Full-time equivalent of other positions.....	4	4	5
Average number of all employees.....	44	50	56
Number of employees at end of year.....	36	47	54
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

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; activities of the California Debris Commission; administration of laws pertaining to preservation of navigable waters; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; and rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; [and not to exceed \$1,915,000 for transfer to the Secretary of the Interior for conservation of fish and wildlife as authorized by law; \$126,420,000] \$133,600,000, to remain available until expended. (16 U.S.C. 661-666, 756; 33 U.S.C. 1, 414, 415, 441-451, 540, 603a, 661, 701, 701n, 705; 66 Stat. 596; 72 Stat. 301, 302; Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Navigation projects:			
(a) Channels and harbors.....	54,866	62,725	65,525
(b) Locks, dams, and canals.....	24,380	26,350	26,384
2. Flood control projects:			
(a) Reservoirs.....	5,468	6,462	7,400
(b) Channel improvements, inspections, and miscellaneous maintenance.....	1,051	917	1,140
3. Multiple-purpose projects, including power.....	17,825	20,670	21,200
4. Emergency project maintenance.....			500
Total, operation and maintenance of projects.....	103,590	117,124	122,149
5. Protection of navigation.....	3,536	4,300	4,230
6. Emergency flood control activities.....	5,438	10,000	7,000
7. Niagara remedial works.....	52	76	70
8. National emergency activities.....			151
Total program costs.....	112,616	131,500	133,600
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1,048	
Obligations incurred for costs of other years, net.....	3,742		
Total obligations.....	116,358	130,452	133,600

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	902	2,070	
Unobligated balance brought forward.....	—3,877	—4,302	
Unobligated balance carried forward.....	4,302		
New obligational authority.....	117,685	128,220	133,600
New obligational authority:			
Appropriation.....	117,685	126,420	133,600
Proposed supplemental due to pay increases.....		1,800	

The appropriation requested is \$133.6 million. This represents an increase of \$7.2 million compared with 1961 and an increase of \$15.9 million compared with 1960. This appropriation finances the operation of existing facilities and the accomplishment of essential maintenance work designed to hold costly repair work in the future to a minimum. The Lower Columbia River fish sanctuary program is now financed under appropriations for the Bureau of Commercial Fisheries. A supplemental appropriation for wage-board increases for 1961 in the amount of \$2 million is anticipated under Proposed for later transmission.

1. *Navigation.*—This provides for operation and maintenance of 220 channel and harbor projects and 29 locks, dams, and canals.

2. *Flood control.*—In 1962, 139 flood control reservoirs will be operated and maintained. Provision is also made for the minimum regular maintenance of 19 local flood protection projects 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 1962, 38 multiple-purpose projects with an installed capacity of 7,380,400 kilowatts will be operated and maintained.

4. *Emergency project maintenance.*—This provides for emergency replacement of equipment and facilities, unforeseen nondeferrable project requirements, and emergency structure repairs which may be required for unpredictable occurrences such as storm damage.

5. *Protection of navigation.*—This provides for the administration of certain laws for the protection, preservation, and regulation of navigable waters of the United States.

6. *Emergency flood control activities.*—The amount requested will finance expenses in connection with flood emergency preparation, flood fighting and rescue operations, and emergency repair and restoration of flood control works.

7. *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.

8. *National emergency activities.*—This provides for planning, education and training activities in the implementation of the national plan for civil defense and defense mobilization relative to civil functions.

9. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	625	645	650	650
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	6,359	9,774	8,721	8,721
Advances (payments for goods and services on order not yet received).....	1	-----	-----	-----
Total selected resources at end of year.....	6,985	10,419	9,371	9,371
Selected resources at start of year (—).....	-----	—6,985	—10,419	—9,371
Adjustment of selected resources reported at start of year.....	-----	308	-----	-----
Costs financed from obligations of other years, net (—).....	-----	-----	—1,048	-----
Obligations incurred for costs of other years, net.....	-----	3,742	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	61,008	65,146	65,530
Positions other than permanent.....	1,218	1,246	1,247
Other personnel compensation.....	4,522	4,031	3,781
Pay to commissioned officers.....	127	362	362
Total personnel compensation.....	66,875	70,785	70,920
12 Personnel benefits:			
Civilian personnel benefits.....	4,061	4,977	5,000
Military personnel benefits.....	4	11	11
21 Travel and transportation of persons.....	604	650	650
22 Transportation of things.....	150	160	160
23 Rent, communications, and utilities.....	1,539	1,600	1,600
24 Printing and reproduction.....	46	50	50
25 Other services.....	27,163	33,620	35,069
Services of—			
Other agencies.....	713	800	800
"Revolving fund, Corps of Engineers—Civil".....	8,862	10,994	11,545
26 Supplies and materials.....	5,085	5,500	5,500
31 Equipment.....	400	400	400
32 Lands and structures.....	1,315	1,400	1,400
42 Insurance claims and indemnities.....	5	5	5
Subtotal.....	116,822	130,952	134,110
Deduct quarters and subsistence charges.....	464	500	510
Total obligations.....	116,358	130,452	133,600

Personnel Summary

	1959 actual	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	10,746	10,920	10,960	10,960
Full-time equivalent of other positions.....	311	318	318	318
Average number of all employees.....	10,657	10,845	10,905	10,905
Number of employees at end of year.....	10,937	11,100	11,225	11,225
Average GS grade.....	7.6	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747	\$5,747

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 and the Beach Erosion Board; commercial statistics; and miscellaneous investigations; **[\$12,120,000]** \$13,048,000. (22 U.S.C. 266; 33 U.S.C. 426-426h, 541, 701, 703, 704; Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction and management:			
(a) Office, Chief of Engineers.....	3,874	4,350	4,446
(b) Division offices.....	6,131	6,825	6,870
2. Review boards:			
(a) River and Harbor Board.....	462	515	513
(b) Beach Erosion Board.....	151	154	159
3. Commercial statistics.....	852	890	888
4. Special investigations.....	132	171	172
Total program costs.....	11,602	12,905	13,048
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-----	—5	-----
Obligations incurred for costs of other years, net.....	21	-----	-----
Total obligations.....	11,623	12,900	13,048
Financing:			
Comparative transfers to other accounts.....	679	-----	-----
Unobligated balance lapsing.....	22	-----	-----
New obligational authority.....	12,324	12,900	13,048
New obligational authority:			
Appropriation.....	12,324	12,120	13,048
Proposed supplemental due to pay increases.....	-----	780	-----

1. *Executive direction and management.*—In addition to the Office, Chief of Engineers, there are 9 division offices supervising work decentralized in 38 district offices which are financed from 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. *Commercial statistics.*—Data on waterborne commerce are collected, compiled, and published.

4. *Special investigations.*—Investigations are made and reports prepared pursuant to congressional and other special requests for current information pertaining to the civil works program.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	74	71	66	66
Advances (payments of goods and services on order not yet received).....	4	3	3	3
Total selected resources at end of year.....	78	74	69	69
Selected resources at start of year (—).....	-----	—78	—74	—69
Adjustment of selected resources reported at start of year.....	-----	25	-----	-----
Costs financed from obligations of other years, net (—).....	-----	-----	—5	-----
Obligations incurred for costs of other years, net.....	21	-----	-----	-----

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

GENERAL EXPENSES—continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	9,008	10,249	10,367
Positions other than permanent.....	2	3	8
Other personnel compensation.....	97	59	20
Pay to commissioned officers.....	366	374	376
Total personnel compensation.....	9,473	10,685	10,771
12 Personnel benefits:			
Civilian.....	631	798	809
Military.....	9	10	10
21 Travel and transportation of persons.....	494	500	520
22 Transportation of things.....	18	20	22
23 Rent, communications, and utilities.....	225	230	235
24 Printing and reproduction.....	68	70	70
25 Other services.....	111	120	125
Services of—			
Other agencies.....	128	130	130
"Revolving fund, Corps of Engineers—Civil".....	351	239	252
26 Supplies and materials.....	63	65	70
31 Equipment.....	44	25	26
41 Grants, subsidies, and contributions.....	1	1	1
42 Insurance claims and indemnities.....	7	7	7
Total obligations.....	11,623	12,900	13,048

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	1,227	1,290	1,297
Full-time equivalent of other positions.....	1	1	2
Average number of all employees.....	1,176	1,242	1,254
Number of employees at end of year.....	1,193	1,251	1,259
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747

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), **[\$71,896,000, of which \$171,300 shall be available for development of recreation facilities at existing reservoirs] \$70,500,000, to remain available until expended. (Public Works Appropriation Act, 1961.)**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General investigations:			
(a) Examinations and surveys.....	65	82	8
(b) Collection and study of basic data:			
(1) Surveys, gages, and observations.....	55	55	67
(2) Fish and wildlife studies.....	1		

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Advance engineering and design.....	146	75	-----
3. Construction:			
(a) Mississippi River levees.....	2,600	2,806	2,500
(b) Channel improvement.....	22,631	22,725	23,000
(c) Memphis Harbor, Tenn.....	485	640	400
(d) Vicksburg Harbor, Miss.....	1,682	1,166	-----
(e) Old River control, Louisiana.....	8,646	8,413	8,000
(f) St. Francis Basin.....	4,415	4,600	4,635
(g) Reelfoot Lake area, Tennessee and Kentucky.....	6	-----	-----
(h) Lower Arkansas River, Ark.....	526	618	530
(i) Tensas Basin, Ark. and La.....	743	1,190	1,325
(j) Yazoo Basin, Miss.....	3,739	4,659	5,075
(k) Baton Rouge Harbor, La.....	19	18	-----
(l) Atchafalaya Basin, La.....	5,708	6,127	6,000
(m) Lake Pontchartrain, La.....	553	660	350
(n) Lower White River.....	20	265	550
(o) Sec. 6, Flood Control Act, 1928.....	213	70	-----
(p) Wolf River and tributaries.....	176	524	560
(q) West Tennessee tributaries.....	33	347	500
(r) Greenville Harbor, Miss.....	-----	150	1,000
(s) Undistributed reduction based on anticipated delays and savings.....	-----	-----	-1,500
4. Maintenance.....	17,229	17,343	17,500
5. Flood control emergencies.....	-----	11	-----
Total obligations.....	69,691	72,544	70,500
Financing:			
Unobligated balance brought forward.....	-1,270	-648	-----
Unobligated balance carried forward.....	648	-----	-----
New obligational authority (appropriation)	69,069	71,896	70,500

The Corps of Engineers—Civil 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 LaFourche, 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 (in thousands of dollars). Percentages of completion at the end of 1962 are shown for construction features.

PROGRAM BY ACTIVITIES	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
1. General investigations:										
(a) Examinations and surveys.....			90	83	8			8		
(b) Collection and study of basic data:										
(1) Surveys, gages, and observations.....			55	55	67			67		
(2) Fish and wildlife studies.....			2							
2. Advance engineering and design.....	558	337	146	75						
Deduct amounts included in named projects below.....	558	337	146	75						
3. Construction:										
(a) Mississippi River levees.....	221,000	193,214	2,524	3,282	2,746	472	226	2,500	19,008	91.3
(b) Channel improvement.....	683,000	390,017	22,586	22,313	22,862	846	984	23,000	224,238	67.0
(c) Memphis Harbor, Tenn.....	18,200	13,595	419	858	400			400	2,928	83.9
(e) Old River control, Louisiana.....	70,000	29,775	8,177	8,825	8,260	510	250	8,000	14,713	78.6
(f) St. Francis Basin.....	88,700	30,531	4,901	5,053	5,936	1,407	106	4,635	42,173	52.3
(h) Lower Arkansas River, Ark., and La.....	26,300	19,291	566	576	530	50	50	530	5,287	79.7
(i) Tensas Basin, Ark., and La.....	31,900	22,992	836	1,297	1,375	100	50	1,325	5,350	83.1
(j) Yazoo Basin, Miss.....	195,000	96,097	4,525	4,368	5,275	500	300	5,075	84,435	56.5
(l) Atchafalaya Basin, La.....	121,000	94,175	6,072	6,155	6,100	175	75	6,000	8,423	93.0
(m) Lake Pontchartrain, La.....	6,510	3,332	461	626	464	164	50	350	1,577	75.0
(n) Lower White River.....	13,100	9,261	135	68	508	258	300	550	2,828	76.1
(p) Wolf River and tributaries, Tennessee.....	2,070	143	44	241	946	415	29	560	767	61.5
(q) West Tennessee tributaries, Tennessee.....	8,750	191	73	96	750	250		500	7,740	11.5
(r) Greenville Harbor, Miss.....	2,750	111	145	164	1,000			1,000	1,530	44.4
Features not budgeted in 1962.....	8,874	2,879	2,137	1,254					2,604	
Undistributed reduction based on anticipated delays and savings.....					-1,500			-1,500	1,500	
Total construction.....	1,497,154	905,304	53,501	55,176	55,652	5,147	2,420	52,925	425,101	
4. Maintenance.....			16,650	18,240	17,434	107	173	17,500		
5. Flood control emergencies.....				11						
Total program costs.....			70,298	73,565	73,161	5,254	2,593	70,500		
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....			-607	-1,021	-2,661					
Total obligations.....			69,691	72,544	70,500					

¹ Advance engineering and design only.

1. *General investigations.*—Provision is made for one study and the collection of basic data which are subsequently used in planning and designing projects.

3. *Construction.*—The estimated total cost of flood control and related improvements in the lower Mississippi River and its alluvial valley is estimated at \$1,709 million, of which \$1,163 million has been appropriated through 1961. The funds requested will be applied to continuation of 14 features of the project which by the end of 1962 will have been brought to respective percents of completion shown in the tabulation above.

4. *Maintenance.*—Provision is made for operation and ordinary maintenance of the major features of the project.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	22	523		
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet delivered).....	6,703	5,468	4,946	2,285
Construction facilities (acquisition value of facilities less depreciation charged to projects).....	157	284	308	308
Total selected resources at end of year.....	6,882	6,275	5,254	2,593
Selected resources at start of year (-).....	-6,882	-6,882	-6,275	-5,254
Costs financed from obligations of other years, net (-).....		-607	-1,021	-2,661

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation:			
Permanent positions.....	16,193	17,446	17,513
Positions other than permanent.....	1,708	1,748	1,748
Other personnel compensation.....	1,556	1,342	1,275
Pay to commissioned officers.....	75	76	76
Total personnel compensation.....	19,532	20,612	20,612
12 Personnel benefits:			
Civilian personnel benefits.....	1,001	1,257	1,257
Military personnel benefits.....	1	1	1
21 Travel and transportation of persons.....	338	340	340
22 Transportation of things.....	80	80	80
23 Rent, communications, and utilities.....	43	45	45
24 Printing and reproduction.....	2	2	2
25 Other services.....	9,004	9,100	9,050
Services of—			
Other agencies.....	4	5	5
"Revolving fund, Corps of Engineers—Civil".....	4,179	4,200	4,200
26 Supplies and materials.....	8,110	8,200	8,150
31 Equipment.....	81	85	84
32 Lands and structures.....	27,318	28,620	26,677
Subtotal.....	69,693	72,547	70,503
Deduct quarters and subsistence charges.....	3	3	3
Total, Corps of Engineers—Civil.....	69,690	72,544	70,500
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
25 Other services.....	1		
Total obligations.....	69,691	72,544	70,500

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Current authorizations—Continued

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES—continued

Personnel Summary

Total number of permanent positions.....	3,209	3,280	3,280
Full-time equivalent of other positions.....	526	532	532
Average number of all employees.....	3,464	3,519	3,519
Number of employees at end of year.....	3,160	3,240	3,240
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747
Average salary of grades established by Act of May 15, 1928 (33 U.S.C. 702h).....	\$7,500	\$7,500	\$7,500

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; **[\$30,000]** **\$20,000**; *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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Review of designs, plans, and specifications (total costs—obligations).....	13	30	20
Financing:			
Unobligated balance lapsing.....	26		
New obligational authority (appropriation)	39	30	20

The U.S. 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 expenditures will be repaid to the general fund by the Power Authority of the State of New York.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	1	2	1
25 Other services.....		10	5
Services of—			
Other agencies.....	6	12	8
"Revolving fund, Corps of Engineers—Civil".....	6	6	6
Total obligations.....	13	30	20

INTERNATIONAL NAVIGATION CONGRESSES

For necessary expenses of the meeting of the Permanent International Association of Navigation Congresses to be held in the United

States in 1961, as authorized by law (72 Stat. 513), **[\$150,000**, to remain available until June 30, 1962] **\$30,000.** (*Public Works Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Conference arrangements (total costs—obligations).....		150	30
Financing:			
New obligational authority (appropriation)		150	30

The United States will be host for the 20th meeting of the International Association of Navigation Congresses to be held in Baltimore, Md., in September 1961. Funds requested will finance essential expenditures in connection with the subsequent publication and distribution of papers and proceedings.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....		38	23
12 Personnel benefits: Civilian.....		3	2
25 Other services.....		109	5
Total obligations.....		150	30

Personnel Summary

Total number of permanent positions.....		5	5
Average number of all employees.....		5	3
Number of employees at end of year.....	0	5	0
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747

NIAGARA REMEDIAL WORKS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Remedial works (total costs—obligations).....	4	75	
Financing:			
Unobligated balance brought forward.....	—158	—335	—260
Recovery of prior years obligations.....	—181		
Unobligated balance carried forward.....	335	260	260
New obligational authority (appropriation)			

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	3	3	
25 Other services.....		71	
Services of "Revolving fund, Corps of Engineers—Civil".....	1	1	
Total obligations.....	4	75	

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance by military personnel of meetings in the manner authorized

by section 19(b) of the Act of July 7, 1958 (72 Stat. 336), uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed one hundred and [sixty] seventy-two, of which one hundred and forty-eight shall be for replacement only) and hire of passenger motor vehicles. (*Public Works Appropriation Act, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation as follows:

- “Disaster relief,” funds appropriated to the President.
- “Mutual security—economic,” funds appropriated to the President.
- “Salaries and expenses,” National Science Foundation.
- “Construction of hospital and domiciliary facilities,” Veterans Administration.
- “Limitation on operation and maintenance and capital outlay,” United States Soldiers’ Home.
- “Construction,” Bureau of Indian Affairs.
- “Construction and rehabilitation,” Bureau of Reclamation.
- “Construction,” Bureau of Sport Fisheries and Wildlife.
- “United States dollars advanced from foreign governments, United States educational exchange program,” Department of State.
- “Passamaquoddy tidal power survey,” Department of State.
- “Operating expenses, Washington Aqueduct,” District of Columbia.

Permanent authorizations:

PAYMENTS TO STATES, FLOOD CONTROL ACT OF 1954

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments to States (total costs—obligations) (object class 41).....	1,454	1,492	1,600
Financing:			
Unobligated balance brought forward.....	-1,435	-1,492	-1,600
Unobligated balance carried forward.....	1,492	1,600	1,830
New obligational authority (appropriation)	1,511	1,600	1,830

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 expense of county government (33 U.S.C. 701c-3).

CORPS OF ENGINEERS—CIVIL SPECIAL EXPENSE FUNDS

(Indefinite special funds)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. “Hydraulic mining in California, debris fund”.....	22	28	18
2. “Maintenance and operation of dams and other improvements of navigable waters”.....	153	154	152
Total program costs—obligations	175	182	170
Financing:			
Unobligated balance brought forward.....	-167	-164	-152
Unobligated balance carried forward.....	164	152	152
New obligational authority (appropriation)	172	170	170

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).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	137	150	144
Other personnel compensation.....	2	1	-----
Total personnel compensation	139	151	144
12 Personnel benefits: Civilian.....	9	12	11
21 Travel and transportation of persons.....	1	1	1
23 Rent, communications, and utilities.....	1	1	1
25 Other services: Services of “Revolving fund, Corps of Engineers—Civil”.....	24	16	12
26 Supplies and materials.....	1	1	1
Total obligations	175	182	170

Personnel Summary

Total number of permanent positions.....	26	26	25
Average number of all employees.....	23	23	22
Number of employees at end of year.....	24	23	22
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747

Intragovernmental funds:

REVOLVING FUND, CORPS OF ENGINEERS—CIVIL

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Plant and equipment services.....	47,974	54,588	54,750
2. Warehousing.....	1,921	2,207	2,166
3. Shop and facility services.....	46,671	49,649	49,800
4. General administrative services.....	149,022	154,256	154,750
5. Net gain (—) or loss on sale of fixed assets.....	62	-150	51
6. Net nonoperating loss.....	184	-----	50
Total operating costs	245,834	260,550	261,567
7. Unfunded adjustments to total operating costs:			
Depreciation (—).....	-7,365	-7,500	-7,800
Increase (—) or decrease in reserve for insurance.....	-62	895	-250
Net gain or loss (—) on sale of fixed assets.....	-62	150	-51
Total operating costs, funded	238,346	254,095	253,466
Capital outlay:			
8. Land and structures.....	1,362	1,754	2,030
9. Dredges.....	3,443	860	2,090
10. Other floating plant.....	1,922	4,100	3,170

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Intragovernmental funds—Continued

REVOLVING FUND, CORPS OF ENGINEERS—CIVIL—continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Capital outlay—Continued			
11. Land-based equipment.....	2,808	3,211	3,160
12. Tools, office furniture, and equipment.....	1,702	1,811	1,900
Total capital outlay.....	11,238	11,736	12,350
Total program costs, funded ¹	249,583	265,831	265,816
13. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—938	—845	—2,116
Total obligations.....	248,646	264,986	263,700
Financing:			
Amounts becoming available:			
Sale of fixed assets.....	1,450	2,250	2,239
Operating revenue.....	244,119	260,144	261,400
Nonoperating revenue.....		50	
Total amounts becoming available.....	245,569	262,444	263,639
Unobligated balance brought forward.....	5,735	2,658	116
Total amounts available.....	251,304	265,102	263,755
Unobligated balance carried forward.....	—2,658	—116	—55
Financing applied to program.....	248,646	264,986	263,700

¹ Excludes property transferred in without reimbursement, net, as follows: 1960, \$1,292 thousand; 1961, \$3,173 thousand; 1962, \$461 thousand.

The fund provides for expenses necessary for the acquisition, operation, and maintenance of plant and equipment of the Corps of Engineers—Civil used in civil works functions, for temporary financing of services finally chargeable to appropriations for civil works 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—Operating costs.—Plant and equipment services include operating costs of such items of plant as dredges, other floating plant, and land-based equipment. 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—Civil district and area offices. Operating costs of these activities are expected to increase in 1961 principally due to increased plant operation costs and remain at about the same level in 1962.

Capital outlay.—Land and structures includes replacement and improvement costs of buildings, facilities, and related land. There is included for this item \$314 thousand in 1961 and \$535 thousand in 1962 covering replacement costs of buildings destroyed by fire in October 1960. Dredges and other floating plant include replacement and improvement costs for dredges and dredging equipment and such other vessels as tugs, tenders, and towboats. Of the 1960 costs, \$3 million was for remainder of acquisition costs of a replacement hopper dredge for use on the Great Lakes, bringing total costs of this dredge to \$10.6 million. Outlay for dredges includes \$500 thousand in

1961 and \$1.4 million in 1962 for replacement of sump-rehandling capability of the dredge *New Orleans* which is nearing end of its economic life and has an estimated replacement cost of \$8.1 million. Outlay for other floating plant includes in 1961, \$1.3 million covering remainder of acquisition costs of a replacement towboat for the lower Mississippi River expected to cost \$1.5 million. Included in 1962 for other floating plant is \$155 thousand for conversion to quarter boats of vessels received from Navy without reimbursement bringing total for this item to \$400 thousand and \$250 thousand for purchase of a replacement derrick boat. Land-based equipment includes replacement and improvement costs of transportation and construction equipment and fixed land equipment such as shop tools and fixed power-driven equipment.

Financing.—Operations are financed from reimbursement 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 decrease in net operating income in 1960 is attributed to adjustments in rates charged for goods and services furnished, thereby resulting in a decrease in retained earnings from \$3.1 million to \$1.3 million. Retained earnings are expected to be further reduced to \$755 thousand in 1962.

The decrease in reserve for self-insurance in 1961 is attributed to loss of buildings and equipment valued at \$405 thousand which were destroyed in a fire at Waterways Experiment Station, Vicksburg, Miss., in October 1960, and to other costs incident to the fire such as restoration of technical material, records and reports, and provision of temporary office space amounting to \$590 thousand.

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—Civil, as of June 30, 1953, and by an appropriation of \$100. Capital of the fund amounted to \$117.8 million on June 30, 1960, and is limited to \$140 million (67 Stat. 199). In 1960, capital of the fund was reduced \$151 thousand because of correction of prior year charges to capital for accrued annual leave of employees. Capital was increased \$1.3 million because of a net transfer of assets from other agencies and appropriations without reimbursement. Receipt of these assets without purchase cost was a principal cause of capital outlay in 1960 falling below the previous estimate. In 1961, capital will be increased by \$3.2 million because of a net transfer of assets without reimbursement and will be decreased by approximately \$80 thousand because of assumption of liability for accrued annual leave of civilian employees of the former Tullahoma District which was merged with the Nashville District in 1961. Accrued annual leave of these employees had not formerly been recorded within the fund.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Inventories.....	8,283	8,436	7,966	7,900
Unpaid undelivered orders.....	6,736	6,271	5,850	3,800
Deferred and undistributed items.....	1,180	554	600	600
Total selected resources at end of year.....	16,199	15,261	14,416	12,300
Selected resources at start of year (—).....		—16,199	—15,261	—14,416
Costs financed from obligations of other years, net (—).....		—938	—845	—2,116

Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Plant, properties, and equipment.....	11,238	11,736	12,350
Expense:			
Purchases of supplies and materials.....	6,033	5,500	5,900
Direct operating expense.....	232,120	246,880	247,200
Other expense.....	184		50
Restoration of damage to property.....	163	1,245	250
Total gross expenditures.....	249,737	265,361	265,750
Receipts from operations (funds provided):			
Realization of assets:			
Proceeds of sale of fixed assets: Plant, properties, and equipment.....	1,450	2,250	2,239
Operating revenue.....	244,119	260,144	261,400
Nonoperating revenue.....		50	
Decrease in selected working capital.....	3,584	27	312
Total receipts from operations.....	249,153	262,471	263,951
Budget expenditures.....	584	2,890	1,799
Revenue, Expense, and Retained Earnings (in thousands of dollars)			
Revenue.....	244,119	260,144	261,400
Expense.....	245,621	260,730	261,500
Net operating gain or loss (-).....	-1,502	-586	-100
Nonoperating income or loss (-):			
Proceeds of sale of fixed assets.....	1,450	2,250	2,239
Net book value of assets sold (-).....	1,512	2,100	2,290
Net gain or loss (-) on sale of fixed assets.....	-62	150	-51
Other nonoperating revenue or loss (-).....	-184	50	-50
Net nonoperating income or loss (-).....	-246	200	-101
Net loss (-) for the year.....	-1,748	-386	-201
Retained earnings, beginning of year.....	3,090	1,342	956
Retained earnings, end of year.....	1,342	956	755
Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury.....	23,687	20,797	18,998
Accounts receivable, net.....	21,420	20,631	20,100
Inventories.....	8,436	7,966	7,900
Deferred and undistributed items.....	554	600	600
Plant, properties, and equipment, net.....	116,387	121,666	124,354
Total assets.....	170,484	171,660	171,952
Liabilities and reserves:			
Current liabilities.....	36,178	35,462	35,243
Unfunded liability for accrued annual leave.....	13,882	13,962	13,962
Reserve for self insurance.....	2,674	1,779	2,029
Total liabilities and reserves.....	52,734	51,203	51,234
Government investment:			
Non-interest-bearing capital:			
Start of year.....	115,268	116,409	119,502
Adjustment of prior year charges to capital for accrued annual leave.....	-151		
Additional liability assumed for accrued leave.....		-80	
Donated assets (net):			
Inventories.....	33	30	34
Plant, properties, and equipment.....	1,259	3,143	427
End of year.....	116,409	119,502	119,963
Retained earnings.....	1,342	956	755
Total Government investment.....	117,750	120,457	120,718

Status of Certain Fund Balances (in thousands of dollars)				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	24,271	23,687	20,797	18,998
Obligated balance, net:				
Current liabilities.....	34,445	36,178	35,462	35,243
Unpaid undelivered orders.....	6,736	6,271	5,850	3,800
Accounts receivable, net (-).....	-22,645	-21,420	-20,631	-20,100
Total obligated balance.....	18,536	21,029	20,681	18,943
Unobligated balance.....	5,735	2,658	116	55

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,748	4,111	4,127
Positions other than permanent.....	337	423	423
Other personnel compensation.....	247	236	220
Total personnel compensation.....	4,332	4,770	4,770
12 Personnel benefits: Civilian.....	260	318	320
21 Travel and transportation of persons.....	8,194	8,100	8,100
22 Transportation of things.....	568	570	570
23 Rent, communications, and utilities.....	5,967	5,500	5,300
24 Printing and reproduction.....	892	900	900
25 Other services.....	75,181	79,000	76,893
26 Supplies and materials.....	18,244	18,300	18,300
31 Equipment.....	8,518	8,822	8,900
32 Lands and structures.....	1,947	2,214	2,550
42 Insurance claims and indemnities.....	272	270	270
Payroll obligations distributed to appropriations of the Corps of Engineers—Civil.....	125,362	136,597	138,877
Total accrued expenditures.....	249,737	265,361	265,750
Net decrease (-) in undelivered orders and deferred and undistributed items.....	-1,091	-375	-2,050
Total obligations.....	248,646	264,986	263,700

Personnel Summary			
Total number of permanent positions.....	711	700	700
Full-time equivalent of other positions.....	76	95	95
Average number of all employees.....	727	750	750
Number of employees at end of year.....	600	600	600
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747

ADVANCES AND REIMBURSEMENTS, CORPS OF ENGINEERS—CIVIL

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Sale of property, supplies, materials, and utilities:			
Other Army.....	7	10	10
Non-Federal agencies.....	1,529	1,760	1,760
Other.....	24	30	30
Total, sale of property, supplies, materials, and utilities.....	1,560	1,800	1,800
2. Operation of powerplant (Department of the Interior).....	318	350	350
3. Damage to property (non-Federal agencies).....	444	500	500
4. Improvements and betterments:			
Other Federal agencies.....	536	650	650
Non-Federal agencies.....	121	150	150
Total, improvements and betterments.....	1,419	1,650	1,650

DEPARTMENT OF THE ARMY—Continued

CORPS OF ENGINEERS—CIVIL—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS, CORPS OF ENGINEERS—CIVIL—continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
5. Miscellaneous services to other accounts.....	32	50	50
Total obligations.....	3,011	3,500	3,500
Financing:			
Advances and reimbursements from—			
Other accounts.....	917	1,090	1,090
Non-Federal sources (33 U.S.C. 558, 559, 571, 701, and 701k).....	2,094	2,410	2,410
Total financing.....	3,011	3,500	3,500

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	102	163	163
Positions other than permanent.....	12	10	10
Other personnel compensation.....	3	2	2
Total personnel compensation.....	117	175	175
12 Personnel benefits: Civilian.....	6	11	11
21 Travel and transportation of persons.....	7	9	9
23 Rent, communications, and utilities.....	409	445	445
24 Printing and reproduction.....	9	10	10
25 Other services.....	1,271	1,400	1,400
26 Supplies and materials.....	232	300	300
31 Equipment.....	312	400	400
32 Lands and structures.....	648	750	750
Total obligations.....	3,011	3,500	3,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	17	27	27
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	17	26	26
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,326	\$6,824	\$6,848

Proposed for later transmission:

OPERATION AND MAINTENANCE, GENERAL

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Navigation:			
(a) Channels and harbors.....		760	
(b) Locks, dams, and canals.....		800	
2. Flood control projects:			
(a) Reservoirs.....		126	
(b) Channel improvements, inspections, and miscellaneous maintenance.....		14	
3. Multiple-purpose projects, including power.....		300	
Total program costs—obligations.....		2,000	
Financing:			
New obligational authority (proposed supple- mental appropriation).....		2,000	

Under existing legislation, 1961.—A supplemental appropriation is anticipated to meet the costs of wage-board rate increases unbudgeted for 1961 occurring during the period of October 1, 1959, through June 1961.

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, [\$5,664,000] \$6,052,000: Provided, That this appropriation shall not be available for the payment of hospitalization of members of the Home in United States Army hospitals at rates in excess of those prescribed by the Secretary of the Army, upon the recommendation of the Board of Commissioners of the Home and the Surgeon General of the Army. (5 U.S.C. 59b; 24 U.S.C. 41-60; 31 U.S.C. 711(12), 725(a); Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Medical care.....	2,409	2,554	2,623
2. Domiciliary care.....	1,230	1,269	1,448
3. Administration and central services.....	1,761	1,965	1,981
4. Permanent improvements.....	4,591	277	887
Total obligations.....	9,991	6,065	6,939
Financing:			
Unobligated balance brought forward.....	709	1,548	1,271
Receipts transferred from Soldiers' Home permanent fund:			
Authorized.....	11,008	5,664	6,052
Proposed increase due to pay increases.....		124	
Unobligated balance carried forward.....	-1,548	-1,271	-384
Unobligated balance lapsing.....	-178		
Total financing.....	9,991	6,065	6,939

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 operation and maintenance 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.*—A hospital operated as part of the home cares for the daily average patient loads shown below. In addition, certain members receive specialized care at other hospitals.

	1960 actual	1961 estimate	1962 estimate
Patients in home hospital.....	344	350	350
Patients in other hospitals.....	64	64	64

2. *Domiciliary care.*—The daily average number of members receiving domiciliary care is shown below.

	1960 actual	1961 estimate	1962 estimate
Members present.....	1,484	1,540	1,590

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.*—No new obligational authority is requested for 1962.

A proposed supplemental increase in limitation for wage board salary increases for 1961 is shown under Proposed for later transmission.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
UNITED STATES SOLDIERS' HOME			
11 Personnel compensation:			
Permanent positions.....	3,508	3,680	3,735
Positions other than permanent.....	58	65	66
Other personnel compensation.....	195	192	191
Total personnel compensation.....	3,761	3,937	3,992
12 Personnel benefits.....	242	294	299
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	19	2	17
23 Rent, communications, and utilities.....	108	105	113
24 Printing and reproduction.....	3	3	3
25 Other services.....	321	339	408
26 Supplies and materials.....	982	1,000	1,069
31 Equipment.....	163	81	434
32 Lands and structures.....	169	161	38
41 Grants, subsidies, and contributions.....	1	1	1
Subtotal.....	5,770	5,924	6,375
Deduct quarters, subsistence, and laundry charges.....	145	136	136
Total, United States Soldiers' Home.....	5,625	5,788	6,239
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation:			
Permanent positions.....	54	71	72
Other personnel compensation.....	6	3	2
Total personnel compensation.....	60	74	74
12 Personnel benefits.....	4	5	5
24 Printing and reproduction.....	1	1	1
25 Other services.....	122	42	15
26 Supplies and materials.....	1	1	1
32 Lands and structures.....	4,180	154	604
Total, Corps of Engineers—Civil.....	4,366	277	700
Total obligations.....	9,991	6,065	6,939

Personnel Summary

UNITED STATES SOLDIERS' HOME			
Total number of permanent positions.....	1,016	1,014	1,014
Full-time equivalent of other positions.....	10	11	11
Average number of all employees.....	992	1,005	1,005
Number of employees at end of year.....	1,041	1,048	1,048
Average GS grade.....	3.6	3.7	3.7
Average GS salary.....	\$4,131	\$4,541	\$4,541
Average salary of ungraded positions.....	\$3,216	\$3,244	\$3,331
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
Total number of permanent positions.....	10	11	11
Average number of all employees.....	9	9	9
Number of employees at end of year.....	8	9	9
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
Average salary of ungraded positions.....	\$5,577	\$5,687	\$5,747

Proposed for later transmission:

LIMITATION ON OPERATION AND MAINTENANCE AND CAPITAL OUTLAY

Under existing legislation, 1961.—An increase in limitation of \$111 thousand is anticipated to cover the cost of wage-board salary increases which were approved subsequent to submission of the 1961 budget.

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] as authorized by the Act of July 12, 1960 (74 Stat. 461); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), of individuals not to exceed ten in number; not to exceed [\$3,000] \$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 [three] four passenger motor vehicles for replacement only; and 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; \$6,000,000] \$6,835,000, of which not to exceed [\$1,633,000] \$1,835,000 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,] 355 and 3648, [and 3734,] Revised Statutes, as amended, section 4774(d) of title 10, United States Code, civil service or classification laws, or provisions of law prohibiting payment of any person not a citizen of the United States: [*Provided further*, That expenditures may be made hereunder for the purposes of economic rehabilitation in the Ryukyu Islands in such manner as to be consistent with the general objectives of titles II and III of the Mutual Security Act of 1954, and in the manner authorized by sections 505(a) and 522(e) thereof;] *Provided further*, That funds appropriated hereunder may be used, insofar as practicable, and under such rules and regulations as may be prescribed by the Secretary of the Army to pay ocean transportation charges from United States ports, including territorial ports, to ports in the Ryukyus for the movement of supplies donated to, or purchased by, United States voluntary nonprofit relief agencies registered with and recommended by the Advisory Committee on Voluntary Foreign Aid or of relief packages consigned to individuals residing in such areas: [*Provided further*, That under the rules and regulations to be prescribed, the Secretary of the Army shall fix and pay a uniform rate per pound for the ocean transportation of all relief packages of food or other general classification of commodities shipped to the Ryukyus regardless of methods of shipment and higher rates charged by particular agencies of transportation, but this proviso shall not apply to shipments made by individuals to individuals;] *Provided further*, That the President may transfer to any other department or agency any function or functions provided for under this appropriation, and there shall be transferred to any such department or agency without reimbursement and without regard to the appropriation from which procured, such property as the Director of the Bureau of the Budget shall determine to relate primarily to any function or functions so transferred. (*Mutual Security Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration.....	1,631	1,722	1,835
2. Construction of administrative facilities.....	300	50	-----
3. Aid to Ryukyuan economy.....	3,335	4,317	5,000
Total obligations.....	5,266	6,089	6,835
Financing:			
Advances and reimbursements from non-Federal sources (63 Stat. 383).....	-----	-----	-----
Unobligated balance lapsing.....	23	-----	-----
New obligational authority.....	5,282	6,089	6,835

RYUKYU ISLANDS, ARMY—Continued

Current authorizations—Continued

ADMINISTRATION—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	5,282	6,000	6,835
Proposed supplemental due to pay increases.....		89	

This appropriation supports the objective of the Act of July 12, 1960, to provide for the promotion of economic and social development in the Ryukyu Islands, and finances the administration of these islands by the United States, which exercises jurisdiction pursuant to the Treaty of Peace with Japan. Executive Order 10713 of June 5, 1957, establishes under the jurisdiction of the Secretary of Defense a civil administration of the Ryukyu Islands to execute the administrative, legislative, and jurisdictional powers reposed in the United States. To protect the security of the United States and of the free world, the United States will continue responsibility for the administration of the Ryukyu Islands as long as conditions of threat and tension in the Far East require the maintenance of military bases in these islands.

2. *Construction of facilities.*—Replacement of two cultural center buildings and construction of a U.S. courthouse were provided in 1960. Another cultural center is being reconstructed in 1961.

3. *Aid to Ryukyuan economy.*—Provision is made for observation and study of democratic procedures by Ryukyuan leaders through visits to the United States; advanced study by Ryukyuan students in the United States; vocational and technical training of Ryukyuan in other Far East areas; technical assistance for education and industrial development programs within the Ryukyu Islands; and transportation of donated welfare goods.

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. These grants were \$3 million in 1960; \$3.9 million in 1961; and \$4.6 million is proposed in 1962.

Additional economic aid is furnished by the United States through other programs. In 1960, these included \$286 thousand obligated from the military construction project for resettlement of persons displaced from land taken for military purposes; approximately 12.5 million pounds of surplus foodstuffs furnished through voluntary relief organizations; and \$846 thousand for typhoon relief and reconstruction, derived from foreign currency and surplus rice allocated by the International Cooperation Administration without reimbursement. In 1961, an additional \$1 million of military construction funds for resettlement have been allocated; \$2,306 thousand from prior-year allocations of surplus food and foreign currency by the International Cooperation Administration will be available to continue typhoon reconstruction projects; and 27.5 million pounds of relief foodstuffs are expected from voluntary relief organizations. Surplus commodity aid for relief purposes is expected to be continued in 1962, and can be increased if typhoons or other disasters occur.

In addition to this appropriation and other U.S. aid programs, the general fund of the civil administration

is available for economic and social development in the Ryukyus. It 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 follow (in thousands of dollars):

	FINANCIAL CONDITION		
	1960 actual	1961 estimate	1962 estimate
Assets:			
Current assets:			
Cash.....	2,973	2,029	2,714
Accrued interest receivable.....	29	24	25
Investments:			
Wholly owned corporations:			
Ryukyu Development Loan Corp.....	26,680	28,883	30,176
Ryukyu Electric Power Corp.....	10,574	11,420	12,002
Ryukyu Domestic Water Corp.....	1,149	2,794	2,936
Okinawa Housing Corp.....	1,589	1,359	1,138
Ryukyu Warehouse Corp.....	300	-----	-----
Partially owned corporation:			
Bank of the Ryukyus.....	127	127	127
Working capital: Petroleum distribution fund.....	518	293	219
Fixed assets:			
Petroleum facilities (at cost).....	1,561	1,609	1,811
Refrigeration plant.....	991	-----	-----
Net worth, U.S. civil administration.....	46,492	48,538	51,148

The investments in business enterprises represent the total net worth of these organizations except the bank in which the U.S. civil administration holds 51% of the outstanding stock. In this organization, the investment is stated at cost but has substantially higher actual value because of accumulated earnings and established earning capacity. The housing corporation operates at a loss and will be liquidated when feasible on reasonable terms. Investment in the refrigeration plant, presently leased for a nominal rental return, and in the warehouse corporation is planned to be liquidated in 1961.

CASH RECEIPTS AND EXPENDITURES

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts:			
Income from operations.....	2,642	3,003	3,008
Liquidation of investments.....	204	648	78
Fines and forfeitures.....	-----	20	20
Total receipts.....	2,846	3,671	3,106
Expenditures:			
Investments:			
Fixed assets: Petroleum facilities... Capital, petroleum distribution fund.....	51	75	204
Capital, Ryukyu Development Loan Corp.....	118	-----	-----
Capital, Ryukyu Electric Power Corp.....	2,998	2,203	1,293
Capital, Ryukyu Domestic Water Corp.....	787	760	582
Total investments.....	687	1,300	142
Total investments.....	4,640	4,338	2,221
Economic aid programs:			
Grants to Government, Ryukyu Islands.....	475	75	-----
Grants to municipalities.....	200	200	200
Disaster relief.....	75	2	-----
Total aid programs.....	750	277	200
Total expenditures.....	5,390	4,615	2,421
Net increase or decrease (—) in cash balance.....	—2,544	—944	685

Income from operations is derived primarily from the net earnings of the electric power, water, and development loan corporations, from the handling of petroleum products, from interest and dividend receipts, and beginning in 1961 from the proceeds of fines and forfeitures levied by U.S. civil administration courts.

Receipts from liquidation of investments include the estimated proceeds from sale of the refrigeration plant and seven warehouses of the warehouse corporation in 1961 and reductions in the working capital used in the petroleum business and the housing corporation. In 1960, \$54.7 thousand was received from sale of a previous investment in the Ryukyu Life Insurance Co. In 1961, two warehouses with a cost value of \$104 thousand are planned to be transferred to the Government of the Ryukyu Islands without reimbursement, and paved roadways and other improvements with a cost value of \$147 thousand are planned to be transferred to the city of Naha, without reimbursement, in concluding the liquidation of the warehouse corporation. The earnings of the electric power, water, and development loan corporations are being reinvested within the respective corporations each year. The investment in the water corporation is being increased both by the cost of facilities constructed from a 1959 appropriation and by provision of additional capital from the general fund for expansion of the water system for central Okinawa. The investment in the electric power corporation has been increased in 1960 and 1961 by the completion of power transmission facilities constructed from a 1958 appropriation. Additional capital from the general fund has been invested in the development loan corporation in 1960 and 1961. Grants in limited amounts are made to municipalities for essential public facilities and programs.

The cash balance retained in the fund is available to meet emergency requirements and other programs authorized under the provisions of Public Law 86-629. A grant of \$75 thousand from the general fund has been made to the Government of the Ryukyu Islands in 1961 to cover the cost of actuarial surveys required for a proposed retirement system for teachers and public service personnel of the Government of the Ryukyu Islands. Upon the development of a detailed program it is anticipated that further United States assistance will be required.

In addition to local revenue derived primarily from income and excise taxes, the Government of the Ryukyu Islands receives grants to cover expenses related to requirements of the U.S. forces and for assistance in 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. In the financial statement which follows, grants from U.S. appropriations are included as receipts in the fiscal year of expenditure. An estimated \$1,735 thousand of grants approved through 1961 will be recorded as receipts in subsequent years. \$1,385 thousand of the programmed grants through 1962 will be receipts of the Government of the Ryukyu Islands after 1962.

RECEIPTS AND EXPENDITURES AND BALANCES AVAILABLE,
GOVERNMENT OF THE RYUKYU ISLANDS

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Unexpended cash balance brought forward.....	1,549	658	403

RECEIPTS AND EXPENDITURES AND BALANCES AVAILABLE,
GOVERNMENT OF THE RYUKYU ISLANDS—Continued

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Receipts:			
Income taxes.....	7,054	8,190	8,230
Excise taxes.....	12,822	13,208	14,060
Other local receipts.....	1,784	1,079	1,100
U.S. assistance:			
Grants from appropriations.....	1,168	4,021	5,000
Other U.S. funds.....	475	75	-----
Total receipts.....	23,303	26,573	28,390
Total receipts and balance.....	24,852	27,230	28,793
Expenditures:			
Education.....	8,024	9,333	10,036
Public health and welfare.....	3,970	4,228	4,588
Public safety.....	1,786	1,708	1,929
Public works and services.....	2,837	3,264	3,077
Economic development.....	3,243	3,570	3,771
General government.....	4,334	4,724	5,080
Total expenditures.....	24,195	26,827	28,480
Balance carried forward:			
Obligated.....	3,770	3,536	3,988
Unobligated (-).....	-3,112	-3,133	-3,675
Total cash balance carried forward.....	658	403	313

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	1,281	1,359	1,392
Positions other than permanent.....	6	3	6
Other personnel compensation.....	17	13	9
Total personnel compensation.....	1,304	1,375	1,407
12 Personnel benefits.....	78	97	108
21 Travel and transportation of persons.....	102	104	118
22 Transportation of things.....	14	12	15
23 Rent, communications, and utilities.....	19	23	29
24 Printing and reproduction.....	14	14	22
25 Other services.....	376	418	405
26 Supplies and materials.....	24	37	46
31 Equipment.....	28	21	35
32 Lands and structures.....	292	50	-----
41 Grants, subsidies, and contributions.....	2,999	3,925	4,650
Total, administration.....	5,250	6,076	6,835
ALLOCATION TO UNITED STATES INFORMATION AGENCY			
22 Transportation of things.....	1	1	-----
25 Other services.....	10	9	-----
26 Supplies and materials.....	4	3	-----
31 Equipment.....	1	-----	-----
Total, United States Information Agency.....	16	13	-----
Total obligations.....	5,266	6,089	6,835

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ADMINISTRATION			
Total number of permanent positions.....	409	421	423
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	398	410	414
Number of employees at end of year.....	403	410	418
Average GS grade.....	9.2	9.2	9.2
Average GS salary.....	\$7,293	\$7,873	\$7,879
Average salary, ungraded positions.....	\$723	\$773	\$773

RYUKYU ISLANDS, ARMY—Continued

Current authorizations—Continued

CONSTRUCTION OF POWER SYSTEMS, RYUKYU ISLANDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction of transmission line and substations.....	150	18	-----
2. Loans to Ryukyu Electric Power Corporation.....	-----	-----	3,800
Total obligations.....	150	18	3,800
Financing:			
Unobligated balance brought forward.....	-180	-18,030	-18,012
Unobligated balance carried forward.....	18,030	18,012	14,212
New obligational authority (appropriation)	18,000	-----	-----

1. *Transmission line and substations.*—Construction of the transmission line from Kadena to Henoko and four substations was substantially completed in 1960 and put in operation.

2. *Loans.*—Obligations to be incurred in 1962 are for loans to finance equipment of a power generating plant currently planned to consist ultimately of four 20,000-kilowatt generating units together with the necessary housing and ancillary facilities. The first of these units is expected to be in operation in 1964, and other units will follow, as required, to meet the demand load. The new units will permit the retirement from the integrated power system of certain over-age units operating presently at a relatively high cost.

The ultimate financing of this facility will use \$4.7 million from retained earnings of the Ryukyu Electric Power Corp., in addition to \$18 million appropriated to the Army for a loan to the Ryukyu Electric Power Corp.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	26	-----	-----
12 Personnel benefits.....	1	-----	-----
32 Lands and structures.....	123	18	-----
33 Investments and loans.....	-----	-----	3,800
Total obligations.....	150	18	3,800

Personnel Summary

Total number of permanent positions.....	9	-----	-----
Average number of all employees.....	9	-----	-----
Number of employees at end of year.....	1	-----	-----
Average GS grade.....	9.0	-----	-----
Average GS salary.....	\$6,823	-----	-----
Average salary of ungraded positions.....	\$1,723	-----	-----

CONSTRUCTION OF WATER SYSTEM, RYUKYU ISLANDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction, installation, and equipment of water system (total obligations) (object class 32).....	127	227	-----
Financing:			
Unobligated balance brought forward.....	354	-227	-----
Unobligated balance carried forward.....	227	-----	-----
New obligational authority (appropriation)	-----	-----	-----

A raw water supply line to provide additional water to the civilian population has been completed. Construction of a dam and pumping station will be completed during 1961.

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 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; **[\$18,850,000] \$20,881,000.**

For an additional amount for "Operating expenses", \$919,450: Provided, That \$325,700 of this amount shall become available only upon enactment into law during this calendar year of legislation providing pay increases for policemen, firemen, and teachers of the District of Columbia.] (2 C.Z. Code, sec. 5; 64 Stat. 1038; 72 Stat. 852; Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Civil functions:			
(a) Customs and immigration.....	480	519	524
(b) Postal service.....	1,133	1,193	1,242
(c) Police protection.....	1,863	2,020	2,037
(d) Fire protection.....	850	924	960
(e) Judicial system.....	75	85	86
(f) Education.....	4,184	4,569	4,959
(g) Public areas and facilities.....	1,492	1,453	1,556
(h) Library.....	121	135	138
(i) Internal security.....	124	134	134
(j) Other civil affairs.....	123	136	138
2. Health and sanitation:			
(a) Hospitals and clinics.....	6,662	6,912	7,356
(b) Other public health services.....	865	904	994

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. General government expenses:			
(a) Office of the Governor.....	121	89	88
(b) Other general government expenses.....	2,111	1,964	1,967
Total program costs.....	20,204	21,037	22,179
4. Unfunded adjustments to total program costs:			
Depreciation included above for facilities and equipment capitalized under capital outlay appropriation (—).....	-1,017	-1,124	-1,178
Other costs included above (—).....	-417	-120	-120
Total program costs, funded.....	18,770	19,793	20,881
5. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	-77	-24	-----
Total obligations.....	18,693	19,769	20,881
Financing:			
Unobligated balance lapsing.....	207	-----	-----
New obligational authority (appropriation)	18,900	19,769	20,881

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 and other nonfund expense, are recovered and paid into the Treasury as miscellaneous receipts. Such recoveries are derived from revenue from individuals and agencies served and the balance from the Panama Canal Company as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Repayments to Treasury (including depreciation):			
Revenue:			
Hospitals and clinics.....	3,227	3,385	4,033
Education.....	2,081	2,321	2,516
Postal service.....	932	890	922
Fire protection.....	480	522	542
All others.....	683	500	522
Total revenue.....	7,403	7,618	8,535
Net costs reimbursable by Panama Canal Company.....	12,801	13,419	13,644
Total repayable to Treasury.....	20,204	21,037	22,179

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 U.S. Post Office Department, including money order and postal savings services.

WORKLOAD (IN THOUSANDS)

	1960 actual	1961 estimate	1962 estimate
Airmail dispatched (pounds).....	199	204	207
Airmail received (pounds).....	332	338	340
Surface mail dispatched (pounds).....	348	360	360
Surface mail received (sacks).....	72	72	73

(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 firefighting facilities in the Canal Zone, except those required for aircraft crash fires and fires aboard naval vessels and 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 U.S. citizens, the other, which is conducted in the Spanish language, for Panamanians and other non-U.S. citizens. There also are specialized facilities for handicapped children.

ENROLLMENT DATA (INDIVIDUALS)

	1960 actual	1961 estimate	1962 estimate
U.S. citizen schools.....	7,272	7,670	7,688
Latin-American schools.....	3,962	4,066	4,075
Total.....	11,234	11,736	11,763

(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 Canal Zone Government.

AVERAGE NUMBER OF INPATIENTS PER DAY (EXCLUDING NEWBORNS)

	1960 actual	1961 estimate	1962 estimate
Gorgas Hospital.....	266.4	275.0	275.0
Coco Solo Hospital.....	85.1	85.0	85.0
Corozal Hospital.....	232.2	232.0	232.0
Palo Seco Leprosarium.....	117.9	118.0	118.0
Total.....	701.6	710.0	710.0

THE PANAMA CANAL—Continued

Current authorizations—Continued

CANAL ZONE GOVERNMENT—Continued

OPERATING EXPENSES—continued

(b) *Other public health services.*—This provides for communitywide public health services, 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 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.

4. *Unfunded adjustments to total operating costs.*—This includes depreciation expense on facilities and equipment acquired under the capital outlay appropriation. Other costs include the undepreciated balance of such facilities and equipment which are retired, retirement expense, and other minor amounts chargeable to operations which were previously accrued as capital outlay expenditures.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by activities)	155	122	122	122
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	130	143	118	118
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	-1,891	-1,832	-1,832	-1,832
Total selected resources at end of year	-1,606	-1,568	-1,592	-1,592
Selected resources at start of year		1,606	1,568	1,592
Adjustment of selected resources reported at start of year		-115		
Costs financed from obligations of other years, net (-)		-77	-24	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions:			
Military	234	236	236
Civilian	10,914	11,964	12,560
Positions other than permanent	346	305	315
Other personnel compensation	656	527	539
Deduct excess of annual leave taken over leave earned	59		
Total personnel compensation	12,091	13,032	13,650

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits	754	896	936
13 Benefits for former personnel	131	158	151
21 Travel and transportation of persons	516	563	553
22 Transportation of things	390	398	415
23 Rent, communications, and utilities	269	270	284
24 Printing and reproduction	66	63	115
25 Other services	2,916	2,794	3,049
26 Supplies and materials	1,340	1,322	1,430
31 Equipment	176	172	173
42 Insurance claims and indemnities	19	22	22
43 Interest and dividends	102	103	103
Depreciation	1,017	1,124	1,178
Other nonfund costs	417	120	120
Total program costs	20,204	21,037	22,179
Depreciation included above for facilities and equipment capitalized under capital outlay appropriation (-)	-1,017	-1,124	-1,178
Other costs included above (-)	-417	-120	-120
Total program costs, funded	18,770	19,793	20,881
Relation of costs to obligations: Costs financed from obligations of other years, net (-)	-77	-24	
Total obligations	18,693	19,769	20,881

Personnel Summary

	1959 actual	1960 actual	1961 estimate	1962 estimate
Military:				
Average number	19	19	19	19
Number of military personnel at end of year	19	19	19	19
Civilian:				
Total number of permanent positions	2,430	2,449	2,515	2,515
Full-time equivalent of other positions	99	81	83	83
Average number of all employees	2,492	2,483	2,566	2,566
Number of employees at end of year	2,625	2,635	2,700	2,700
Average nonmanual grade	4.7	4.8	4.8	4.8
Average nonmanual salary	\$4,511	\$4,948	\$5,045	\$5,045
Average service grade	4.5	4.4	4.4	4.4
Average service salary	\$1,882	\$1,985	\$2,179	\$2,179
Average postal grade	4.9	4.9	4.9	4.9
Average postal salary	\$6,593	\$7,128	\$7,128	\$7,128
Average salary of ungraded positions:				
Police	\$7,161	\$7,781	\$7,781	\$7,781
Fire officer	\$8,110	\$9,125	\$9,125	\$9,125
Education	\$6,015	\$6,607	\$6,674	\$6,674
Other	\$2,508	\$2,706	\$2,797	\$2,797

CAPITAL OUTLAY

For acquisition of land and land under water and acquisition, construction, and replacement of improvements, facilities, structures, and equipment, as authorized by law (2 C.Z. Code, secs. 3 and 16; 63 Stat. 600), including the purchase of not to exceed [eight] seven passenger motor vehicles for replacement only [of which seven are] for police-type use without regard to the general purchase price limitation for the current fiscal year; and expenses incident to the retirement of such assets; [\$6,800,000] \$2,349,000, to remain available until expended: *Provided, That after July 1, 1961, the limitation under this head in the Second Supplemental Appropriation Act, 1961, on the unit cost of constructing quarters shall not apply to the construction of housing units from appropriations for "Capital outlay".*

[For an additional amount for "Capital outlay", \$121,000, to remain available until expended: *Provided, That no part of the foregoing amount shall be available for any expenses related to the construction of any quarters at an average cost in excess of \$9,000 per unit.*] (2 C.Z. Code, secs. 3, 5, 16; 63 Stat. 600; 64 Stat. 1038; 72 Stat. 852; Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Civil functions:									
(a) Replacements, additions, and renewals of equipment.....	470	69	101	195	105	11		94	
(b) Postal service:									
(1) Replace Gamboa Post Office.....	18				18			18	
(c) Education:									
(1) Improvements, additions, and replacements to school plant.....	691	25	43	478	145	91		54	
(2) Improvements, additions, and replacements to school physical education and recreation facilities.....	336	110	66	149	11			11	
(3) Air condition high school and junior college buildings, Balboa.....	661				250		411	661	
(d) Public areas and facilities:									
(1) Additions and replacements to municipal systems.....	335	43	44	110	138	19		119	
(2) Community recreational facilities.....	111		22	69	20	6		14	
(e) Prior year projects.....	5,756	2,583	1,718	1,296	159	159			
2. Health and sanitation:									
(a) Replacements, additions, and renewals of equipment.....	813	265	143	184	221	29		192	
(b) Hospitals and clinics:									
(1) Improvements to Corozal Hospital.....	108				108			108	
(2) Improvements to Coco Solo Hospital.....	287				220		67	287	
(c) Prior year projects.....	6,027	182	296	1,113	4,436	4,436			
3. General government:									
(a) Other general government:									
(1) Quarters replacement program.....	1,440		185	451	549	237	255	567	
(2) Construct 500 non-U.S. citizen employee quarters in the Canal Zone.....	1,340		10	190	315	166	20	169	805
(3) Alterations, replacements, or improvements to government buildings.....	116	77	21	13	5			5	
(4) Advance planning of future projects.....	41		1	20	20			20	
(5) Minor capital additions and replacements.....	73	11	10	32	20			20	
(6) Retirement and removal costs.....	23		3	10	10			10	
(b) Prior year projects.....	128	39	28	61					
4. Undistributed reduction based on anticipated delays and savings.....				-375	-410	375	785		
Total program costs.....	18,774	3,404	2,691	3,996	6,340	5,529	1,538	2,349	805
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....			-129		-3,090				
Obligations incurred for costs of other years, net.....				3,090					
Total obligations.....			2,562	7,086	3,250				
Financing:									
Unobligated balance brought forward.....			-1,463	-1,771	-1,606				
Unobligated balance carried forward.....			1,771	1,606	705				
New obligational authority (appropriation).....			2,870	6,921	2,349				

THE PANAMA CANAL—Continued

Current authorizations—Continued

CANAL ZONE GOVERNMENT—Continued

CAPITAL OUTLAY—continued

This provides for the acquisition by purchase, construction, or otherwise, of capital assets required by the Canal Zone Government. In 1962, the principal projects in which the agency will be engaged are: (a) Air conditioning of the high school and junior college buildings at Balboa; (b) improvements to Coco Solo and Corozal Hospitals; (c) continuation of the Pacific side quarters replacement program; (d) construction of 500 non-U.S. citizen employee quarters; (e) completion of the alterations and additions to Gorgas Hospital and (f) routine continu-

ing projects among which are additions and replacements to municipal systems, and additions and renewals of equipment.

Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1959, \$962 thousand; 1960, \$833 thousand; 1961, \$3,923 thousand; 1962, \$833 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
31 Equipment.....	319	305	447
32 Lands and structures.....	2,243	6,781	2,803
Total obligations.....	2,562	7,086	3,250

PANAMA CANAL COMPANY

PANAMA CANAL BRIDGE

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Investigation, design, and supervision.....	2,200	854	248	376	450	722	272	-----	-----
2. Construction.....	17,800	840	2,275	7,125	6,400	7,560	1,160	-----	-----
Total program costs.....	20,000	1,694	2,523	7,501	6,850	8,282	1,432	-----	-----
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....				-5,797	-5,090				
Obligations incurred for costs of other years, net.....			7,446						
Total obligations (object class 32).....			9,969	1,704	1,760				
Financing:									
Unobligated balance brought forward.....			-14,134	-4,165	-2,461				
Unobligated balance carried forward.....			4,165	2,461	701				
New obligational authority (appropriation).....									

A \$750 thousand supplemental appropriation was enacted in 1958 and an appropriation of \$19,250 thousand was enacted in 1959 to provide for the \$20 million cost of constructing a high-level bridge across the Panama Canal at Balboa, C.Z., 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. The design work on the bridge proper was completed in 1959 while construction work, which started in 1959, will be completed in 1963.

Relation of costs to obligations.—The year-end balances of unpaid undelivered orders are as follows: 1959, \$4,172

thousand; 1960, \$11,618 thousand; 1961, \$5,821 thousand; 1962, \$731 thousand.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Military construction, Army."

Public enterprise funds:

CORPORATION

The 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 current fiscal year for such corporation, except as hereinafter provided: (*Department of Commerce and Related Agencies Appropriation Act, 1961.*)

PANAMA CANAL COMPANY FUND
Program and Financing (in thousands of dollars)

	Costs			Obligations (capital outlay)		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Program by activities:						
Operating costs:						
1. Transit operations.....	22,336	23,912	24,774			
2. Supporting services:						
(a) Maritime services.....	5,300	5,330	5,655			
(b) Employee services.....	19,026	19,597	20,954			
(c) Transportation and utilities services.....	8,662	9,022	9,189			
(d) Other supporting services.....	2,650	2,540	2,512			
3. General corporate expense:						
(a) Net cost of Canal Zone Government.....	12,801	13,419	13,644			
(b) Interest payable to Treasury.....	8,925	8,775	8,735			
(c) Other.....	8,767	10,027	9,885			
Settlement of compensation claims against predecessor agency.....	90					
Transfer of assets to other Federal agencies.....	13					
Transfer of assets to Republic of Panama.....	217	188				
Writeoff of plant becoming excess as a result of treaty with Republic of Panama.....	297					
Total operating costs.....	89,084	92,810	95,348			
4. Unfunded adjustments to operating costs:						
Depreciation included above (—).....	—4,982	—5,176	—5,517			
Amortization included above (—).....	—1,126	—1,136	—185			
Change in reserve for locks overhaul.....	—289	1,546	550			
Change in reserve for channel maintenance.....	—1,200	—623	425			
Transfer of assets to other Federal agencies (—).....	—13					
Transfer of assets to Republic of Panama (—).....	—217	—188				
Writeoff of plant becoming excess as a result of treaty with Republic of Panama (—).....	—297					
Other adjustments and writeoffs included above.....	—35					
Total operating costs, funded.....	80,925	87,233	90,621			
5. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—).....		—131	—100			
Obligations incurred for costs of other years, net.....	474					
Total operating obligations.....	81,399	87,102	90,521			
Capital outlay: ¹						
1. Transit projects:						
(a) Marine traffic control system.....		400	800	202	398	1,000
(b) Panama Canal improvements (capacity program).....	9,133	8,768	5,200	6,454	7,160	6,826
(c) Replace locks towing locomotives and cranes.....	31	825	1,738	3,924	508	1,334
(d) Replace and add tugboats, navigation and dredging divisions.....	511	1,507		1,842	153	
(e) Other transit projects.....	723	2,041	1,245	756	2,228	1,005
2. Maritime services projects.....	427	782	351	703	421	391
3. Employee services projects:						
(a) Quarters replacement program, Pacific side.....	886	2,469	2,610	1,006	2,665	2,624
(b) Construct 500 non-U.S. citizen employee quarters in the Canal Zone.....	7	200	1,143	114	676	700
(c) Other employee services projects.....	802	1,447	863	883	1,188	836
4. Transportation and utilities services projects.....	1,271	3,111	1,319	1,077	2,804	1,504
5. Other supporting services projects.....	518	677	484	589	593	484
6. General corporate projects.....	307	766	397	407	707	331
7. Acquisition of other assets.....	47	50	50	47	50	50
Total capital outlay.....	14,663	23,043	16,200	18,004	19,551	17,085
8. Unfunded adjustment to capital outlay: Undistributed reduction based on anticipated delays and savings, net (—).....		—1,613	—1,134		—1,369	—928
Total capital outlay, funded.....	14,663	21,430	15,066	18,004	18,182	16,157
9. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—).....		—3,248				
Obligation incurred for costs of other years, net.....	3,341		1,091			
Total capital outlay, obligations.....	18,004	18,182	16,157			
Total obligations.....	99,403	105,284	106,678			

¹ Excludes property transferred in without charge, net, as follows: 1960, \$236 thousand.

THE PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

Program and Financing (in thousands of dollars)—Continued

	Costs			Obligations (capital outlay)		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Financing:						
Amounts becoming available: Revenue and receipts:						
Proceeds from sale of fixed assets.....	1,195	200	200			
Tolls at current rates.....	50,982	54,590	55,890			
Credit from tolls on U.S. Government vessels.....	821	910	910			
Miscellaneous transit revenue.....	4,241	4,181	4,300			
Sales of commodities.....	18,025	18,722	20,062			
Sales of services.....	19,361	19,326	19,826			
General corporate revenue.....	194	114	70			
General and administrative expense recovered from Canal Zone Government.....	750	750	750			
Credit, net, 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.....	1,123	-21				
Total amounts becoming available.....	96,692	98,772	102,008			
Unobligated balance brought forward:						
Cash.....	3,893	1,182				
Appropriation.....	10,000					
Authorization to expend from public debt receipts.....		10,000	4,670			
Total amounts available.....	110,585	109,954	106,678			
Unobligated balance carried forward:						
Cash.....	-1,182					
Authorization to expend from public debt receipts.....	-10,000	-4,670				
Financing applied to program.....	99,403	105,284	106,678			

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.—Operation and maintenance of the canal proper is the primary mission of the Company, and it is toward the successful accomplishment of that task that the transit operations are directed. Current and projected operating results, including income from tolls, are reviewed and evaluated at least annually by the Company's board of directors. In the period 1952 through 1960 the average annual net income has amounted to \$3.5 million, which is approximately equivalent to the tolls from two average-size ships per day.

The services performed by this activity and the cost of each are shown in the following table (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Maintenance of channels and harbors.....	4,306	4,017	2,501
Navigation service and control.....	7,817	8,771	9,514
Locks operations.....	8,373	9,296	10,910
General canal expense.....	1,840	1,828	1,849
Net operating costs.....	22,336	23,912	24,774

Major variations in the foregoing cost estimates reflect final amortization in 1961 of the cost of removing the slide hazard at Contractor's Hill, provision for increased locks overhaul accruals, and the additional expense incident to

handling actual and projected canal traffic volume as shown by the following data (dollars in thousands):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected data on canal operations:				
Commercial vessel transits: Number of ships (over 300 net Panama Canal tons).....	9,718	10,793	11,230	11,400
Ships berthed.....	4,712	4,892	4,991	5,045
Tolls and toll credits at current rates.....	\$46,547	\$51,803	\$55,500	\$56,800
Other transit revenue.....	\$3,748	\$4,241	\$4,181	\$4,300

Capital outlay costs will amount to \$8,983 thousand in 1962 and include \$5,200 thousand for continuing the canal capacity program, \$1,738 thousand for replacement of locks towing locomotives and cranes, which project will be largely completed in 1963, and \$800 thousand for a marine traffic control system scheduled for completion in 1963.

2. Supporting services.—These are the Company's auxiliary activities, individually described below, which provide services and materials essential to the accomplishment of the transit operations program.

(a) *Maritime services.*—This program provides for the operation of vessel repair and harbor terminal facilities. Costs, which are directly related to customer demand for services, are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Vessel repair.....	2,940	2,936	2,992
Harbor terminals.....	4,775	5,050	5,368
Total operating costs.....	7,715	7,986	8,360
Less intra-agency recoveries.....	2,415	2,656	2,705
Net operating costs.....	5,300	5,330	5,655

(b) *Employee services.*—As shown below, these costs include housing and marketing operations for eligible employees against whom charges are made to reimburse the Company. Cost estimates, which are expected to remain relatively level, are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
U.S. community housing.....	1,736	1,803	1,830
Latin-American community housing.....	689	719	752
Marketing operations.....	17,581	18,062	19,376
Total operating costs.....	20,006	20,584	21,958
Less intra-agency recoveries.....	980	987	1,004
Net operating costs.....	19,026	19,597	20,954

Capital outlay costs estimated for 1962 include \$3,753 thousand for continuation of a quarters replacement program for U.S. and non-U.S. citizens, and \$347 thousand for the addition and replacement of marketing operation equipment.

(c) *Transportation and utilities services.*—The various types of service and the costs incident to each are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Railroad.....	1,668	1,745	1,805
Motor transportation.....	1,923	2,077	2,199
Steamship line.....	6,053	6,479	6,469
Power system.....	2,190	2,294	2,330
Communications system.....	613	629	688
Water system.....	1,305	1,342	1,407
Total operating costs.....	13,752	14,566	14,898
Less intra-agency recoveries.....	5,090	5,544	5,709
Net operating costs.....	8,662	9,022	9,189

Estimates for capital outlay in 1962 total \$1,319 thousand including \$540 thousand toward constructing a central air conditioning system on the Pacific side of the Isthmus, and \$569 thousand for motor vehicles and railroad rolling stock.

(d) *Other supporting services.*—These consist chiefly of the Company's construction, maintenance, and supply activities, with estimated costs as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Tivoli guest house.....	573	595	625
Printing plant.....	363	376	385
Grounds maintenance.....	1,045	1,079	1,172
Engineering and maintenance services.....	6,639	6,934	6,794
Supply operations.....	5,379	5,745	5,853
Total operating costs.....	13,999	14,729	14,829
Less intra-agency recoveries.....	11,349	12,189	12,317
Net operating costs.....	2,650	2,540	2,512

Capital outlay costs for 1962 are estimated at \$484 thousand, including \$165 thousand for relocating and modernizing the printing plant and \$279 thousand for the replacement and addition of equipment.

3. *General corporate expense.*—This includes payments to the Treasury for the net cost of Canal Zone Government, 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 (see Program and Financing schedule under "Limitation") other than interest on the investment of the United States and the net cost of the Canal Zone Government. Starting in 1962, annuity payments to non-U.S. citizens for-

merly employed by the agency are no longer included within the statutory limitation. The summary detail of general corporate expense is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Net cost of Canal Zone Government.....	12,801	13,419	13,644
Interest expense.....	8,925	8,775	8,735
Other general corporate expense.....	8,767	10,027	9,885
Total general corporate expense.....	30,493	32,221	32,264

Capital outlay costs for 1962 are estimated at \$397 thousand and provide for minor replacements, additions and improvements, advance planning of future projects, and plant retirement and removal costs.

5. *Relation of costs to obligations.*—The relationships for operating costs and capital outlay are derived from year-end balances of selected resources as reflected in the following tables (in thousands of dollars):

RELATION OF OPERATING COSTS TO OBLIGATIONS

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories.....	8,075	8,385	8,275	8,175
Other current assets.....	259	238	250	250
Unpaid undelivered orders (operations).....	2,446	2,631	2,598	2,598
Total selected resources at end of year.....	10,780	11,254	11,123	11,023
Selected resources at start of year (—).....		—10,780	—11,254	—11,123
Costs financed from obligations of other years, net (—).....			—131	—100
Obligations incurred for costs of other years, net.....		474		

RELATION OF CAPITAL OUTLAY COSTS TO OBLIGATIONS

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Unpaid undelivered orders (capital outlay).....	7,720	11,061	7,813	8,904
Selected resources at start of year (—).....		—7,720	—11,061	—7,813
Costs financed from obligations of other years, net (—).....			—3,248	
Obligations incurred for costs of other years, net.....		3,341		1,091

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 within its own resources. Under Public Law 86-200 (73 Stat. 428), approved August 25, 1959, the Company may borrow with interest from the Treasury amounts not exceeding a total of \$10 million outstanding at any time. A \$10 million emergency fund, previously deposited by the Company with the Treasury, is deemed under Public Law 86-200 to be a return of invested funds instead of a payment out of retained earnings and the capital structure of the Company is adjusted accordingly.

Operating results and financial condition.—There will be an increase in retained earnings in 1961 estimated at \$14,632 thousand, of which (a) \$5,971 thousand is from operations, and (b) \$8,661 thousand is from net credits to be gained through the final transfer of Panama Canal Company and Canal Zone Government properties to the Republic of Panama under the terms of the 1955 Treaty (71 Stat. 509) with the Republic of Panama. The \$6,460 thousand increase in retained earnings estimated for 1962 wholly represents net operating income for that year.

THE PANAMA CANAL—Continued

Public enterprise funds—Continued

PANAMA CANAL COMPANY—Continued

PANAMA CANAL COMPANY FUND—continued

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase, construction, or improvement of fixed assets.....	14,663	21,430	15,066
Operation (including locks overhauls).....	80,925	87,233	90,621
Total gross expenditures.....	95,588	108,663	105,687
Receipts from operations (funds provided):			
Revenue and other receipts from all sources.....	96,692	98,772	102,008
Decrease in selected working capital.....	1,071	1,323	250
Total receipts from operations.....	97,763	100,095	102,258
Budget expenditures	-2,175	8,568	3,429

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Transit operations:			
Revenue.....	56,044	59,681	61,100
Expense.....	22,336	23,912	24,774
Net operating revenue, transit operations.....	33,708	35,769	36,326
Supporting services:			
Maritime services:			
Revenue.....	6,074	5,950	6,225
Expense.....	5,300	5,330	5,655
Net operating revenue, maritime services.....	774	620	570
Employee services:			
Revenue.....	19,553	20,098	21,539
Expense.....	19,026	19,597	20,954
Net operating revenue, employee services.....	527	501	585
Transportation and utilities services:			
Revenue.....	8,703	9,118	9,292
Expense.....	8,662	9,022	9,189
Net operating revenue, transportation and utilities services.....	41	96	103
Other supporting services:			
Revenue.....	3,056	2,882	2,832
Expense.....	2,650	2,540	2,512
Net operating revenue, other supporting services.....	406	342	320
General corporate expense:			
Miscellaneous revenue.....	194	114	70
Assessment to Canal Zone Government.....	750	750	750
Net cost of Canal Zone Government.....	-12,801	-13,419	-13,644
Interest.....	-8,925	-8,775	-8,735
Other.....	-8,767	-10,027	-9,885
General corporate expense, net (-).....	-29,549	-31,357	-31,444
Net operating income for the year.....	5,907	5,971	6,460
Nonoperating income and expense:			
Profit on transfer of Panama Canal Company properties to the Republic of Panama (71 Stat. 509):			
Market value of properties transferred.....	1,031	8,870	-----
Net book value of properties transferred (-).....	-217	-188	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Nonoperating income and expense—Continued			
Credit, net, 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.....	1,123	-21	-----
Net nonoperating income for the year.....	1,937	8,661	-----
Net income for the year.....	7,844	14,632	6,460
Analysis of retained earnings:			
Retained earnings, beginning of year.....	90,041	107,885	122,517
Transfer from interest-bearing investment (73 Stat. 428).....	10,000	-----	-----
Retained earnings, end of year.....	107,885	122,517	128,977

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	27,390	18,822	15,393
Current notes receivable.....	1,069	-----	-----
Accounts receivable, net.....	5,164	4,800	4,900
Inventories, net.....	8,385	8,275	8,175
Other current assets, net.....	238	250	250
Properties, plant, and equipment, net.....	425,628	440,778	450,077
Other assets (deferred charges).....	1,808	722	587
Total assets.....	469,682	473,647	479,382
Liabilities:			
Current.....	18,749	18,541	18,791
Reserves:			
For periodic overhaul of canal locks.....	2,663	1,117	567
For maintenance dredging.....	1,200	1,823	1,398
For noncapital cost of power conversion.....	666	-----	-----
Total reserves.....	4,529	2,940	1,965
Government investment:			
Interest-bearing investment:			
Start of year.....	349,672	338,519	329,649
Transfer of assets from other Federal agencies.....	236	-----	-----
Transfer of assets to other Federal agencies (-).....	-13	-----	-----
Transfer of assets to Republic of Panama (market value) (-).....	-1,031	-8,870	-----
Plant becoming excess as result of Treaty with Republic of Panama (-).....	-297	-----	-----
Reactivation of plant.....	42	-----	-----
Settlement of compensation claims against predecessor agency (-).....	-90	-----	-----
Transfer to retained earnings (73 Stat. 428) (-).....	-10,000	-----	-----
End of year.....	338,519	329,649	329,649
Retained earnings.....	107,885	122,517	128,977
Total Government investment.....	446,404	452,166	458,626

Note.—Contingent and other liabilities: The Company has outstanding, at all times, contingent and continuing liabilities in indeterminable amounts arising principally from monthly relief payments payable to retired alien employees; benefits payable under provisions of the Federal Employees Compensation Act; commitments for construction work, supplies and services; and pending suits and claims.

The annuity payments to be made to retired alien employees in fiscal year 1961 are estimated at \$2.1 million. Commitments under uncompleted construction contracts and unfilled purchase orders amounted to \$13.7 million at June 30, 1960. The maximum liability which could result from outstanding claims and lawsuits is estimated to be \$1.2 million.

Status of Certain Fund Balances (in thousands of dollars)				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury and in banks.....	25,215	27,390	18,822	15,393
Budget authorizations.....	10,000	10,000	10,000	10,000
Total unexpended balance.....	35,215	37,390	28,822	25,393
Obligated balance, net:				
Current liabilities.....	16,686	18,749	18,541	18,791
Unpaid undelivered orders.....	10,166	13,692	10,411	11,502
Accounts and current notes receivable, net (-).....	-5,530	-6,233	-4,800	-4,900
Total obligated balance.....	21,322	26,208	24,152	25,393
Unobligated balance.....	13,893	11,182	4,670	

LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES, PANAMA CANAL COMPANY

Not to exceed **[\$8,680,000]** \$7,824,000 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 **[fourteen]** eighteen passenger motor vehicles of which **[twelve]** fourteen are for replacement only, and for uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

The limitation under this head in the Department of Commerce and Related Agencies Appropriation Act, 1961, on the amount available for general and administrative expenses of the Panama Canal Company, is increased from "\$8,680,000" to "\$9,393,900". (Department of Commerce and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction.....	684	783	781
2. Operations direction.....	546	649	685
3. Financial management.....	2,586	2,857	2,891
4. Personnel administration.....	735	947	990
5. General services.....	814	777	811
6. Employment costs:			
(a) Alien cash relief.....	1,722	2,056	
(b) Employees' States travel.....	737	858	961
(c) Other.....	448	467	705
Total accrued general and administrative expenses—costs.....	8,272	9,394	7,824
Financing:			
Unobligated balance lapsing.....	214		
Limitation.....	8,486	9,394	7,824

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions:			
Military.....	84	83	71
Civilian.....	33,776	37,134	39,877
Positions other than permanent.....	1,156	1,948	2,049
Other personnel compensation.....	3,664	3,896	4,121
Add excess of annual leave earned over leave taken.....	368		
Deduct portion not chargeable to limitation.....	35,348	38,883	41,893
Net personnel compensation.....	3,700	4,178	4,225

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	314	362	525
13 Benefits for former personnel.....	1,722	2,056	
21 Travel and transportation of persons.....	931	1,059	1,181
22 Transportation of things.....	87	86	140
23 Rent, communications, and utilities.....	213	225	229
24 Printing and reproduction.....	76	86	86
25 Other services.....	873	1,086	1,159
26 Supplies and materials.....	123	130	141
31 Equipment.....	11	10	12
42 Insurance claims and indemnities.....	109	116	126
Depreciation.....	112		
Nonfund plant adjustments.....	1		
Total accrued general and administrative expenses—costs.....	8,272	9,394	7,824

Personnel Summary

Military:			
Average number.....	7	7	6
Number of military personnel at end of year.....	7	7	6
Civilian:			
Total number of permanent positions.....	10,599	10,966	11,032
Full-time equivalent of other positions.....	702	979	1,002
Average number of all employees.....	11,100	11,718	11,813
Number of employees at end of year.....	11,436	11,773	11,889
Average GS grade.....	6.6	6.8	6.8
Average GS salary.....	\$5,584	\$6,176	\$6,176
Average nonmanual grade.....	4.9	5.0	5.0
Average nonmanual salary.....	\$4,775	\$5,178	\$5,303
Average service grade.....	3.5	3.5	3.5
Average service salary.....	\$1,695	\$1,854	\$2,002
Average salary of ungraded positions.....	\$2,937	\$3,124	\$3,396

GENERAL PROVISIONS—THE PANAMA CANAL

SEC. 201. 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 \$30,000: *Provided*, That the rates for individuals shall not exceed \$100 per diem [: *Provided further*, That no part of any appropriation contained in title II of this Act shall be used to construct a flag pole, platform, or any other device for the purpose of displaying the flag of Panama in the Canal Zone, the sovereign control of which is vested in the United States Government by virtue of long standing Treaty]. (Department of Commerce and Related Agencies Appropriation Act, 1961.)

SEC. 202. The Canal Zone Government is authorized to transfer to the Federal Aviation Agency, without reimbursement, such facilities and improvements within the Cardenas townsite in the Canal Zone as may be mutually agreed upon by such agencies, and the value of the property so transferred shall be determined in accordance with section 246(b) of title 2 of the Canal Zone Code. Payments to the Treasury otherwise required by section 246(e) of title 2 of the Canal Zone Code shall be reduced by the amount of such value.

MISCELLANEOUS ACCOUNTS

Permanent authorizations:

PAYMENTS TO CLAIMANTS, DISASTER AT TEXAS CITY, TEXAS, ARMY (Indefinite general fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payment of claims.....	567	185	
2. Administrative costs.....	62	34	
Total obligations.....	629	219	

MISCELLANEOUS ACCOUNTS—Continued**Permanent authorizations—Continued****PAYMENTS TO CLAIMANTS, DISASTER AT TEXAS CITY, TEXAS,
ARMY—Continued**

(Indefinite general fund)—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-11,450	-10,821	
Unobligated balance carried forward.....	10,821		
Unobligated balance lapsing.....		10,602	
New obligational authority (appropriation)			

This fund pays claims for death, personal injury, and property losses resulting from the disaster at Texas City, Tex., on April 16 and 18, 1947, as authorized by Public Law 84-378, dated August 12, 1955, as amended by Public Law 86-381, approved September 25, 1959. The unobligated balance of this fund will be written off by administrative action on June 30, 1961, as the purposes for which it was appropriated have been accomplished.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	30	25	
12 Personnel benefits.....	2	2	
21 Travel and transportation of persons.....	6	3	
22 Transportation of things.....		1	
23 Rent, communications, and utilities.....	3	1	
25 Other services.....	4	2	
26 Supplies and materials.....	4		
31 Equipment.....	13		
42 Insurance claims and indemnities.....	567	185	
Total obligations	629	219	

Personnel Summary

Total number of permanent positions.....	12	10	
Average number of all employees.....	7	5	
Number of employees at end of year.....	8	0	
Average GS grade.....	4.4	4.7	
Average GS salary.....	\$4,382	\$4,919	

**WILDLIFE CONSERVATION, ETC., EGLIN FIELD RESERVATION,
AIR FORCE**

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Conservation of game (total obligations).....	25	32	32
Financing:			
Unobligated balance brought forward.....	-18	-19	-18
Unobligated balance carried forward.....	19	18	17
New obligational authority (appropriation)	26	31	31

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	15	16	16
12 Personnel benefits.....	1	1	1
25 Other services.....	2	7	7
26 Supplies and materials.....	7	8	8
Total obligations	25	32	32

Personnel Summary

Total number of permanent positions.....	4	4	4
Full-time equivalent of other 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.....	4.0	4.0	4.0
Average GS salary.....	\$3,765	\$4,160	\$4,264
Average salary of ungraded positions.....	\$3,809	\$3,881	\$3,903

Public enterprise funds:**DEFENSE PRODUCTION GUARANTEES**

Guarantees are given on loans made by public and private financing institutions by the Army, Navy, and Air Force to facilitate performance of defense production contracts. When necessary, loans may be purchased by the Government. Administrative expenses are financed from guarantee fees and interest on loans receivable. Funds in excess of guaranteed loan program requirements may be transferred to miscellaneous receipts of the Treasury. Net earnings are retained to purchase loans when required under guarantee commitments and to cover possible future losses (50 U.S.C. app. 2091).

LOANS GUARANTEED

[Dollars in millions]

	Total	Army	Navy	Air Force
Number of loans outstanding:				
As of June 30, 1960.....	82	17	22	43
As of June 30, 1961.....	90	15	25	50
As of June 30, 1962.....	89	12	27	50
Authorized limit of loans guaranteed	\$343	\$24	\$117	\$202
Outstanding balance June 30, 1960	266	18	81	167
Additional guaranteed private credit available June 30, 1960	77	6	36	35
Outstanding balance June 30, 1961	307	12	100	195
Outstanding balance June 30, 1962	275	10	70	195
Cumulative net earnings June 30, 1962	30	6	10	14

The Government's acquisition of loans under this program in the Department of Defense is reflected in the following schedules:

DEFENSE PRODUCTION GUARANTEES, ARMY**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs: Administrative expenses.....	25	25	25
Capital outlay: Loans purchased.....	275		50
Total program costs—obligations	300	25	75

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans.....	121	200	175
Guarantee fees and interest on loans.....	121	140	80
Total amounts becoming available.....	242	340	255
Unobligated balance brought forward.....	2,787	2,729	3,044
Total amounts available.....	3,029	3,069	3,299
Unobligated balance carried forward.....	2,729	3,044	3,224
Financing applied to program.....	300	25	75

Sources and Application of Funds (Operations) (in thousands of dollars)

Gross expenditures (funds applied):			
Acquisition of loans.....	275		50
Expense.....	25	25	25
Total gross expenditures.....	300	25	75
Receipts from operations (funds provided):			
Loans repaid.....	121	200	175
Revenue.....	121	140	80
Total receipts from operations.....	242	340	255
Budget expenditures.....	58	-315	-180

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue.....	121	140	80
Expense.....	25	25	25
Net income for the year.....	96	115	55
Retained earnings, beginning of year.....	5,246	5,342	5,457
Retained earnings, end of year.....	5,342	5,457	5,512

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	2,729	3,044	3,224
Loans receivable, net.....	2,613	2,413	2,288
Total assets.....	5,342	5,457	5,512
Government investment:			
Retained earnings.....	5,342	5,457	5,512

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	2,787	2,729	3,044	3,224

Note.—U.S. share of guarantees and commitments outstanding are as follows: 1959, \$14,841 thousand; 1960, \$14,097 thousand; 1961, \$9,587 thousand; 1962, \$7,712 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	25	25	25
33 Investments and loans.....	275		50
Total obligations.....	300	25	75

DEFENSE PRODUCTION GUARANTEES, NAVY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs: Administrative expenses.....	51	40	30
Capital outlay: Loans purchased.....	1,563	4,000	3,500
Total program costs—obligations.....	1,614	4,040	3,530
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans.....	37	2,500	5,000
Guarantee fees and interest on loans.....	641	313	240
Total amounts becoming available.....	678	2,813	5,240
Unobligated balance brought forward.....	9,062	8,126	6,899
Total amounts available.....	9,740	10,939	12,139
Unobligated balance carried forward.....	-8,126	-6,899	-8,609
Financing applied to program.....	1,614	4,040	3,530

Sources and Application of Funds (Operations) (in thousands of dollars)

Gross expenditures (funds applied):			
Acquisition of loans.....	1,563	4,000	3,500
Expense.....	51	40	30
Total gross expenditures.....	1,614	4,040	3,530
Receipts from operations (funds provided):			
Loans repaid.....	37	2,500	5,000
Revenue.....	641	313	240
Total receipts from operations.....	678	2,813	5,240
Budget expenditures.....	937	1,227	-1,710

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue.....	641	313	240
Expense.....	51	40	30
Net income for the year.....	590	273	210
Retained earnings, beginning of year.....	9,207	9,797	10,070
Retained earnings, end of year.....	9,797	10,070	10,280

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	8,126	6,899	8,609
Loans receivable, net.....	1,671	3,171	1,671
Total assets.....	9,797	10,070	10,280
Government investment:			
Retained earnings.....	9,797	10,070	10,280

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	9,062	8,126	6,899	8,609

Note.—U.S. share of guarantees and commitments outstanding are as follows: 1959, \$129,854 thousand; 1960, \$77,605 thousand; 1961, \$76,829 thousand; 1962, \$63,329 thousand.

MISCELLANEOUS ACCOUNTS—Continued**Public enterprise funds—Continued****DEFENSE PRODUCTION GUARANTEES—Continued****DEFENSE PRODUCTION GUARANTEES, NAVY—continued****Object Classification (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	51	40	30
33 Investments and loans.....	1,563	4,000	3,500
Total obligations.....	1,614	4,040	3,530

DEFENSE PRODUCTION GUARANTEES, AIR FORCE**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
Administrative expenses.....	104	163	164
Writeoff of loans receivable.....	27		
Total operating costs.....	131	163	164
Unfunded adjustment to total operating costs: Writeoff of loans receivable (—).....	—27		
Total operating costs, funded.....	104	163	164
Capital outlay: Loans purchased.....	10,186	11,900	10,000
Total program costs—obligations.....	10,290	12,063	10,164
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans.....	10,388	12,000	10,000
Guarantee fees and interest on loans.....	875	900	900
Total amounts becoming available.....	11,263	12,900	10,900
Unobligated balance brought forward.....	8,662	9,635	10,472
Total amounts available.....	19,925	22,535	21,372
Unobligated balance carried forward.....	—9,635	—10,472	—11,208
Financing applied to program.....	10,290	12,063	10,164

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of loans.....	10,186	11,900	10,000
Expense.....	104	163	164
Total gross expenditures.....	10,290	12,063	10,164

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Loans repaid.....	10,388	12,000	10,000
Revenue.....	875	900	900
Total receipts from operations.....	11,263	12,900	10,900
Budget expenditures.....	—973	—837	—736

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	875	900	900
Expense.....	131	163	164
Net income for the year.....	744	737	736
Retained earnings, beginning of year.....	12,108	12,853	13,590
Retained earnings, end of year.....	12,853	13,590	14,326

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	9,635	10,472	11,208
Loans receivable, net.....	3,218	3,118	3,118
Total assets.....	12,853	13,590	14,326
Government investment:			
Retained earnings.....	12,853	13,590	14,326

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	8,662	9,635	10,472	11,208

Note: U.S. share of guarantees and commitments outstanding are as follows: 1959, \$137,182 thousand; 1960, \$134,197 thousand; 1961, \$141,882 thousand; 1962, \$141,882 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	104	163	164
33 Investments and loans.....	10,186	11,900	10,000
Total obligations.....	10,290	12,063	10,164

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
FOOD AND DRUG ADMINISTRATION									
Current authorizations:									
Salaries and expenses.....	213	13,800	18,052	796	23,580	12,462	17,672	20,853	17,216
Salaries and expenses, certification, inspection and other services (indefinite special fund).....	213	1,712	1,692		1,882	1,238	1,827	1,876	1,605
Pharmacological-animal laboratory building.....	213		100		1,750		49	716	665
Intragovernmental funds:									
Advances and reimbursements.....	213					-13			
Total, Food and Drug Administration.....		15,512	19,844	796	27,212	13,687	19,548	23,445	19,486
FREEDMEN'S HOSPITAL									
Current authorizations:									
Salaries and expenses.....	213	3,190	3,295	203	3,736	3,108	3,400	3,610	3,098
OFFICE OF EDUCATION									
Current authorizations:									
Promotion and further development of vocational education.....	214	33,702	33,672		¹ 33,672	31,982	33,090	33,272	33,272
Further endowment of colleges of agriculture and the mechanic arts.....	214	2,502	2,502		8,194	2,502	2,502	8,194	8,194
Grants for library services.....	215	6,131	7,500		7,500	7,037	6,617	8,416	7,458
Payments to school districts.....	214	186,300	187,310		77,000	174,850	190,000	107,000	44,171
Assistance for school construction.....	214	61,135	63,392		24,850	83,348	74,300	66,388	1,958
Defense educational activities.....	214	159,700	187,480		194,492	128,771	160,770	190,000	141,922
Expansion of teaching in education of the mentally retarded.....	214	1,000	1,000		1,000	308	850	950	123
Salaries and expenses.....	214	12,800	13,400	475	15,100	11,608	14,118	15,300	12,713
Salaries and expenses (special foreign currency program).....	214		31		9		20	20	9
Land-grant college aid.....	214		2,225				2,225		
Permanent authorizations:									
Colleges for agriculture and the mechanic arts.....	214	2,550	2,550		2,550	2,550	2,550	2,550	2,550
Promotion of vocational education, Act Feb. 23, 1917 (indefinite).....	214	7,161	7,170		7,170	7,158	7,167	7,170	7,170
Intragovernmental funds:									
Advances and reimbursements.....	214					29	-6	1	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Grants for library services.....	215			1,369			1,369		
Under proposed legislation: Payments to school districts.....	214				93,036			60,000	60,000
Total, Office of Education.....		472,981	508,232	1,844	464,573	450,143	495,572	499,261	319,540
OFFICE OF VOCATIONAL REHABILITATION									
Current authorizations:									
Grants to States:									
Appropriation.....	217	51,900	56,200		76,500	48,933	54,500	58,540	60,540
Contract authorization.....	217	9,100	15,300				10,781	14,091	15,561	12,539
Research and training.....	217	12,700	15,430		17,250		279	748	283
Research and training (special foreign currency program).....	217		930		1,372		1,920	2,283	2,108
Salaries and expenses.....	217	1,738	1,871	88	2,325	1,590			
Intragovernmental funds:									
Advances and reimbursements.....	217					-1			
Total, Office of Vocational Rehabilitation.....		75,438	89,731	88	97,447	61,303	70,790	77,132	75,470
PUBLIC HEALTH SERVICE									
Current authorizations:									
Buildings and facilities.....	213	300	3,470		16,630	8,350	11,389	8,531	2,000
Reappropriation.....	213		306				24,060	26,925	59,500	58,700
Community health activities.....	213	24,497	26,978	157	61,750		155,200	170,000	7,800
Hospital construction activities.....	213	186,200	186,200		152,972	144,607	27,000	40,000	37,500
Environmental health activities.....	213	15,720	27,640	303	² 41,860	14,657			

¹ Includes \$4,000 thousand to carry out authorizing legislation to be proposed.
² Includes \$3,000 thousand to carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
PUBLIC HEALTH SERVICE—Continued									
Current authorizations—Continued									
Grants for waste treatment works construction.....	213	46,816	45,000		50,000	40,295	40,600	43,000	3,000
Medical care and foreign quarantine.....	213	51,600	55,213	610	106,383	49,878	55,000	105,263	104,750
Appropriation to liquidate contract authorization.....	213			(529)					
Construction of Indian health facilities.....	213	4,787	9,714		6,616	9,295	14,017	8,343	1,843
Reappropriation.....	213	159							
National Institutes of Health:									
General research and services.....	213	45,994	83,900		87,404	40,059	67,000	85,500	61,500
National Cancer Institute.....	213	91,257	111,000		109,292	74,260	87,500	100,800	50,800
Mental health activities.....	213	68,090	95,761		82,922	60,415	74,100	79,500	49,500
National Heart Institute.....	213	62,237	86,900		91,357	56,463	73,100	84,500	59,500
National Institute of Dental Research.....	213	10,019	15,500		13,035	9,417	12,800	14,100	10,100
Arthritis and metabolic disease activities.....	213	46,862	61,200		62,239	41,317	49,400	64,100	45,000
Allergy and infectious disease activities.....	213	34,054	44,000		44,285	31,347	36,400	41,700	30,000
Neurology and blindness activities.....	213	41,487	49,600		49,466	35,683	39,700	44,800	25,800
Total, National Institutes of Health.....		400,000	547,861		540,000	348,960	440,000	515,000	332,200
Grants for construction of health research facilities.....	213	30,000	30,000		30,000	25,696	26,000	25,000	1,000
Scientific activities overseas (special foreign currency program).....	213		3,707		10,084		405	2,912	2,000
National health statistics.....	213				4,642			4,250	4,250
Operations, National Library of Medicine.....	213	1,566	1,662	76	2,066	1,561	1,713	2,050	1,890
Retired pay of commissioned officers (indefinite).....	213	1,682	1,920		2,180	1,679	1,920	2,180	2,180
Salaries and expenses, Office of the Surgeon General.....	213	5,816	7,042	326	5,275	5,691	7,399	5,300	4,890
Control of tuberculosis.....	213	6,452	6,430	63		6,421	6,487	255	
Communicable disease activities.....	213	8,158	14,116	277		7,775	14,440	765	
Salaries and expenses, hospital construction services.....	213	1,650	1,675	61		1,583	1,736	107	
Foreign quarantine activities.....	213	4,686	4,931	179		4,568	5,120	344	
Indian health activities.....	213	45,245	47,747	1,457		44,931	49,900	4,608	
Liquidation of contract authorization.....	213	(455)	(529)						
Construction of mental health-neurology research facility.....	213		12,139				57	700	
Control of venereal diseases.....	213	5,400				5,291	392		
Construction, mental health facilities, Alaska.....	213					356	1,823	3,321	
Dependents' medical care.....	213					383	1		
Grants and special studies, Alaska.....	213					26			
Grants to States for poliomyelitis vaccination.....	213					-1,287			
Surveys and planning for hospital construction.....	213					-12			
Permanent authorizations:									
Medical care and foreign quarantine (contract authorization).....	213		529		529				
Indian health activities (contract authorization).....	213	529							
Public enterprise funds:									
Operation of commissaries, narcotic hospitals.....	213					-8		1	
Intragovernmental funds:									
Bureau of State Services management fund.....	213						-44		
National Institutes of Health management fund.....	213					-956	-1,069		
Service and supply fund.....	213					-16	69		
Working capital fund, narcotic hospitals.....	213					-30			
Advances and reimbursements.....	213					-40	40		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Indian health activities.....	213			538			506	32	
Total, Public Health Service.....		841,263	1,034,280	4,047	1,030,987	743,711	887,026	1,001,462	564,003
SAINT ELIZABETHS HOSPITAL									
Current authorizations:									
Salaries and expenses.....	213	3,805	4,095	188	4,939	3,711	4,235	4,711	3,604
Buildings and facilities.....	213				575			3,492	416
Major repairs and preservation of buildings and grounds.....	213	330	345			146	423		
Construction and equipment, treatment and cafeteria building.....	213		4,493			57	1,222		
Extension and modernization of administration building.....	213		501				97		
Construction, continued treatment building: Reappropriation.....	213		106			15	110		
Construction and equipment of treatment building.....	213					28	4		
Construction and equipment, maximum security building.....	213					240	65		

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
SAINT ELIZABETHS HOSPITAL—Continued									
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Salaries and expenses.....	213			297			220	77	
Total, Saint Elizabeths Hospital.....		4,135	9,540	485	5,514	4,197	6,375	8,280	4,020
SOCIAL SECURITY ADMINISTRATION									
Current authorizations:									
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund).....	212	(191,600)	(203,200)	(7,085)	(240,750)				
Grants to States for public assistance.....	212	2,037,500	2,083,000		2,285,800	2,058,896	2,081,901	2,285,800	1,879,800
Hospitalization and services for repatriated mentally ill American nationals.....	213				364			362	362
Salaries and expenses, Bureau of Public Assistance.....	212	2,345	2,348	157	3,300	2,247	2,500	3,263	3,089
Salaries and expenses, Children's Bureau.....	213	2,300	2,360	133	2,668	2,225	2,474	2,655	2,469
Grants for maternal and child welfare.....	213	46,500	51,833		54,833	47,433	51,261	53,506	52,988
Cooperative research or demonstration projects in social security.....	212		350		1,500		280	630	560
Research and training (special foreign currency program).....	213				2,213			602	602
Salaries and expenses, Office of the Commissioner.....	212	337	351	22	590	307	369	549	495
Salaries and expenses, White House Conference on Children and Youth.....	213	200	150			193	164	4	
Public enterprise funds:									
Operating fund, Bureau of Federal Credit Unions.....	519					-171	-32	-84	
Intragovernmental funds:									
Advances and reimbursements.....	212					3	14	2	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislations:									
Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance (trust fund).....				(17,375)					
Limitation on construction, Bureau of Old-Age and Survivors Insurance (trust fund).....				(320)					
Grants to States for public assistance.....	212			77,000			77,000		
Salaries and expenses, Bureau of Public Assistance.....	212			300			265	35	
Under proposed legislation: Medical benefits for the aged.....	212				25,000			25,000	25,000
Total, Social Security Administration.....		2,089,182	2,140,393	77,613	2,376,268	2,111,133	2,216,196	2,372,324	1,965,365
SPECIAL INSTITUTIONS									
American Printing House for the Blind									
Current authorizations:									
Education of the blind.....	214	400	400		400	400	400	400	400
Gallaudet College									
Current authorizations:									
Salaries and expenses.....	214	904	1,074		1,200	867	1,014	1,190	1,085
Construction.....	214	325	2,512		127				
Reappropriation.....	214	56	14			1,208	1,711	1,225	44
Total, Gallaudet College.....		1,285	3,600		1,327	2,074	2,724	2,415	1,129
Howard University									
Current authorizations:									
Salaries and expenses.....	214	4,617	5,490		6,257	4,581	5,460	6,200	5,855
Plans and specifications.....	214	21	225		211				
Reappropriation.....	214	7	16			144	207	188	117
Construction of buildings.....	214		1,433		4,447				
Reappropriation.....	214		2			919	1,212	2,443	1,693
Construction of auditorium-fine arts building (liquidation of contract authorization).....	214	(860)			(95)	757	103	95	
Construction of men's dormitory (liquidation of contract authorization).....	214					20	13		
Total, Howard University.....		4,646	7,166		10,915	6,421	6,995	8,926	7,665
Total, special institutions.....		6,331	11,167		12,642	8,896	10,119	11,741	9,194

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From obligational authority
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses, Office of the Secretary.....	217	2,061	2,077	132	2,382	2,008	2,202	2,240	2,059
Salaries and expenses, Office of Field Administration.....	217	2,735	2,762	182	3,363	2,614	2,800	3,400	2,946
Surplus property utilization.....	217	703	751	35	862	690	720	871	756
Salaries and expenses, Office of the General Counsel.....	217	590	600	42	713	578	584	670	534
White House Conference on Aging.....	217	452	760	25	-----	1,174	865	60	-----
Intragovernmental funds:									
Working capital fund.....	217	-----	-----	-----	-----	-62	80	9	-----
Advances and reimbursements.....	217	-----	-----	-----	-----	-8	-----	-----	-----
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Salaries and expenses, Office of the General Counsel.....	217	-----	-----	16	-----	-----	16	-----	-----
Total, Office of the Secretary.....		6,541	6,950	432	7,320	6,994	7,267	7,250	6,295
Total new obligational authority and budget expenditures.....		3,514,572	3,823,431	85,508	4,025,699	3,403,173	3,716,294	4,004,504	2,966,471
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		3,495,009	3,797,437		3,897,414	3,403,173	3,631,304	3,918,986	2,881,471
Appropriations to liquidate contract authorizations.....		(1,315)	(529)		(624)				
Contract authorizations.....		9,100	15,300		-----				
Reappropriations.....		223	445		-----				
Permanent authorizations:									
Appropriations.....		9,711	9,720		9,720	9,720	-----	-----	-----
Contract authorizations.....		529	529		529				
Proposed for later transmission:									
Pay increase supplemental appropriations.....		-----	5,988		-----	5,614	374	-----	-----
Other: Appropriations.....		-----	79,520		118,036	79,376	85,144	85,000	-----
Total new obligational authority and budget expenditures.....		3,514,572	3,908,939		4,025,699	3,403,173	3,716,294	4,004,504	2,966,471

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
PUBLIC HEALTH SERVICE										
Operation of commissaries, narcotic hospitals.....	213	223	229	233	232	228	232	-8	-----	1
SOCIAL SECURITY ADMINISTRATION										
Operating fund, Bureau of Federal Credit Unions.....	519	3,135	3,804	4,126	3,306	3,836	4,210	-171	-32	-84
Total, public enterprise funds.....		3,358	4,033	4,359	3,538	4,064	4,442	-179	-32	-83

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, certification, inspection, and other services, Food and Drug Administration	484	579	892	1,053	646	918	646	924
Pharmacological-animal laboratory, Food and Drug Administration						51	350	1,085
Grants for library services, Office of Education	1,184	1,184	32	75	916	958		42
Payments to school districts, Office of Education		48,413		59,528		56,838		26,838
Assistance for school construction, Office of Education	37,267	136,242	31,050	114,029		103,121		61,583
Defense educational activities, Office of Education	16,663	30,474	22,194	48,706	19,331	68,026	10,804	66,837
Research and training (special foreign currency program), Office of Vocational Rehabilitation			110	2,387	120	651	489	1,275
Buildings and facilities, Public Health Service	14,295	25,521	4,548	17,164	1,699	9,552	4,065	17,651
Hospital construction activities, Public Health Service	95,726	302,785	127,051	343,766	124,500	374,766	105,000	357,738
Grants for waste treatment works construction, Public Health Service	9,099	86,500	7,093	92,477	5,000	96,877	5,000	103,877
Medical care and foreign quarantine, Public Health Service		2,572	2	3,976		4,799		6,448
Construction of Indian health facilities, Public Health Service	3,207	15,201	3,790	10,853	806	6,550	394	4,823
General research and services, National Institutes of Health, Public Health Service		4,053		9,447		26,347		28,251
National Cancer Institute, Public Health Service		22,351		32,221		54,524		63,016
Mental health activities, Public Health Service		7,075		13,640		32,322		35,744
National Heart Institute, Public Health Service		8,097		12,725		26,525		33,382
Grants for construction of health research facilities, Public Health Service	40	51,311	1	55,616		59,616		64,616
Communicable disease activities, Public Health Service		481	2	812		765		
Construction of mental health-neurology research facility, Public Health Service					12,048	12,082	11,082	11,382
Construction, mental health facilities, Alaska, Public Health Service	6,500	6,500		6,144		4,321		1,000
Major repairs and preservation of buildings and grounds, Saint Elizabeths Hospital	33	40	135	224	57	146	13	159
Construction and equipment, treatment and cafeteria building, Saint Elizabeths Hospital		59		2	525	3,273	54	747
Extension and modernization of administration building, Saint Elizabeths Hospital					84	404		
Construction, continued treatment building, Saint Elizabeths Hospital	106	125		4				
Construction and equipment of treatment building, Saint Elizabeths Hospital	20	52	20	24				
Construction and equipment, maximum security building, Saint Elizabeths Hospital	105	304	25	65				
Grants to States for public assistance, Social Security Administration		305,564		340,855		406,000		406,000
Construction, Gallaudet College	130	1,230	37	389	197	1,205	10	107
Plans and specifications, Howard University	57	203		71	34	106		129
Construction of buildings, Howard University	278	1,493	145	572	247	792		2,795
Construction of men's dormitory (liquidation of contract authorization), Howard University	191	199	13	13				
White House Conference on Aging, Office of the Secretary	810	868	41	140		60		
Other		32,454		44,758		85,261		105,593
Subtotal	186,194	1,091,931	197,179	1,211,734	166,211	1,436,856	137,908	1,402,042
Balances of anticipated pay increase supplementals included above						-374		
Total, appropriations	186,194	1,091,931	197,179	1,211,734	166,211	1,436,482	137,908	1,402,042
Contract authorizations:								
Auditorium, Howard University	535	1,395	535	535	440	535		
Other		455		529		529		529
Total, contract authorizations	535	1,850	535	1,064	440	1,064		529
Revolving and management funds:								
Advances and reimbursements, Office of Education	33	45	8	13		1		
Operation of commissaries, narcotic hospitals, Public Health Service	26	33	29	41	29	41	28	39
Bureau of State Services management fund, Public Health Service						44		44
National Institutes of Health management fund, Public Health Service		1,567		2,292		3,361		3,361
Service and supply fund, Public Health Service	186	682	-112	698	2	629	9	629
Working capital fund, narcotic hospitals, Public Health Service	72	67	79	98	76	98	67	98

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Revolving and management funds—Continued								
Advances and reimbursements, Public Health Service.....			65	40				
Operating fund, Bureau of Federal Credit Unions, Social Security Administration.....	630	742	782	862	794	894	898	978
Advances and reimbursements, Social Security Administration.....	5	22	6	18	4	4		2
Working capital fund, Office of the Secretary.....	105	276	43	338	81	258	116	249
Other.....		16		19		19		19
Total, revolving and management funds.....	1,057	3,450	900	4,420	982	5,349	1,118	5,420
Proposed for later transmission:								
Appropriation other than pay increase supplementals.....						144		33,036
Anticipated pay increase supplemental appropriations.....						374		
Total, proposed for later transmission.....						518		33,036
Total, Department of Health, Education, and Welfare.....	187,786	1,097,231	198,614	1,217,218	167,633	1,443,413	139,025	1,441,027

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	3,514,572	3,908,939	4,025,699
Unobligated balances brought forward, start of year.....	187,786	198,614	167,633
Appropriations available in prior year (—).....	—445,528	—505,954	—570,000
Appropriations available from subsequent year.....	505,954	570,000	570,000
Unobligated balances lapsing (—).....	—38,835	—36,857	—21,581
Capital transfers from revolving funds to receipt accounts (—).....	—50		
Unobligated balances carried forward, end of year (—).....	—198,614	—167,633	—139,025
Obligations incurred, net	3,525,285	3,967,109	4,032,725
Obligated balances brought forward, start of year.....	909,445	1,018,604	1,275,780
Adjustments of obligated balances in expired accounts.....	—12,953	6,362	—2,000
Obligated balances carried forward, end of year (—).....	—1,018,604	—1,275,780	—1,302,002
Budget expenditures	3,403,173	3,716,294	4,004,504

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Labor and welfare:						
212 Public assistance.....	2,040,182	2,163,528	2,316,190	2,061,453	2,162,329	2,315,279
213 Promotion of public health.....	913,100	1,126,966	1,127,527	814,558	970,249	1,093,926
214 Promotion of education.....	473,180	512,373	469,715	452,002	497,706	502,586
215 Promotion of science, research, libraries, and museums.....	6,131	8,869	7,500	7,037	7,986	8,416
217 Other welfare services and administration.....	81,979	97,201	104,767	68,298	78,056	84,383
Total, labor and welfare.....	3,514,572	3,908,939	4,025,699	3,403,344	3,716,326	4,004,588
Commerce, housing, and space technology:						
519 Regulation of commerce and finance.....				—171	—32	—84
Total, Department of Health, Education, and Welfare.....	3,514,572	3,908,939	4,025,699	3,403,173	3,716,294	4,004,504

FOOD AND DRUG ADMINISTRATION

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses not otherwise provided for, of the Food and Drug Administration, including [not to exceed \$80,000 for construction of a laboratory barn at the Agricultural Research Center, Beltsville, Maryland;] 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; [\$16,852,000] \$23,580,000.

[For an additional amount for "Salaries and expenses", \$1,200,000.] (21 U.S.C. 301-392; 21 U.S.C. 41-50; 21 U.S.C. 141-149; 15 U.S.C. 401-411; 21 U.S.C. 61-64; 15 U.S.C. 401; Departments of Labor, Health, Education, and Welfare, Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Field inspections, investigations, and laboratory analyses.....	8,108	12,161	15,140
2. Research and methodology.....	2,429	3,215	4,284
3. Compliance, consultation, and education.....	675	923	1,108
4. Medical evaluation.....	616	1,113	1,308
5. Executive direction.....	1,052	1,436	1,740
Total program costs.....	12,880	18,848	23,580
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	652		
Total obligations.....	13,532	18,848	23,580
Financing:			
Unobligated balance lapsing.....	268		
New obligational authority.....	13,800	18,848	23,580
New obligational authority:			
Appropriation.....	13,800	18,052	23,580
Proposed supplemental due to pay increases.....		796	

The laws enforced hereunder are designed to protect consumers against adulterated and misbranded foods, drugs, cosmetics, therapeutic devices, and caustic poisons.

The budget provides for an overall expansion of 14% in staff resources to continue the program of strengthening the agency to cope with increasing responsibilities due to industrial, economic, technological, and population growth of the Nation. The budget also provides for the first year cost of new or expanded office and laboratory space which will be occupied in 1962.

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 100,000 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. Samples are collected during inspections, and investigation and laboratory analyses are conducted to detect and identify adulteration. The budget provides for continuing the

program of modernizing certain district offices. Four additional offices are scheduled for modernization in 1962.

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 additive 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 prosecutions through the courts. Standards for foods, 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:

	1960 actual	1961 estimate	1962 estimate
Number of establishments inspected.....	21,241	25,500	29,500
Establishment inspections.....	26,311	31,500	36,500
Wharf examinations.....	6,005	7,200	7,500
Samples collected for examination.....	32,788	35,500	39,500
Laboratory analyses and other examinations.....	31,276	33,500	35,000

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$684 thousand; 1959 (adjusted), \$660 thousand; 1960, \$1,312 thousand; 1961, \$1,312 thousand; 1962, \$1,312 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	9,191	13,118	16,016
Positions other than permanent.....	28	43	43
Other personnel compensation.....	130	88	50
Total personnel compensation.....	9,349	13,249	16,109
12 Personnel benefits.....	628	1,020	1,228
21 Travel and transportation of persons.....	569	812	988
Payment to interagency motor pools.....	26	145	332
22 Transportation of things.....	95	104	100
23 Rent, communications, and utilities.....	155	159	1,034
24 Printing and reproduction.....	114	127	171
25 Other services.....	247	203	285
Services of other agencies.....	110	60	396
26 Supplies and materials.....	634	820	794
Samples.....	134	171	198
31 Equipment.....	1,144	998	548
32 Lands and structures.....	327	980	1,397
Total obligations.....	13,532	18,848	23,580

Personnel Summary

Total number of permanent positions.....	1,678	2,199	2,500
Full-time equivalent of other positions.....	10	10	10
Average number of all employees.....	1,454	1,905	2,303
Number of employees at end of year.....	1,677	2,121	2,550
Average GS grade.....	7.8	8.0	8.4
Average GS salary.....	\$6,229	\$6,712	\$6,944

FOOD AND DRUG ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, CERTIFICATION, INSPECTION, AND OTHER SERVICES

(Indefinite special fund)

For expenses necessary for the listing, certification or inspection of certain products, and for the establishment of tolerances for pesticides and color additives, 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. (*Departments of Labor, and Health, Education, and Welfare, Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Certification services.....	1,162	1,630	1,770
2. Pesticide and color additive tolerances and listings.....	90	187	191
3. Refunds.....	9	21	21
Total program costs.....	1,261	1,838	1,982
4. Relation of costs to obligations:			
Obligations incurred for costs of other years, net.....	43	100	-----
Costs financed from obligations of other years, net (—).....	-----	-----	—100
Total obligations.....	1,304	1,938	1,882
Financing:			
Unobligated balance brought forward.....	—484	—892	—646
Unobligated balance carried forward.....	892	646	646
New obligational authority (appropriation)	1,712	1,692	1,882

The Food and Drug Administration certifies batches of antibiotics, insulin, and color additives for use in foods, drugs, or cosmetics. FDA also establishes tolerances for residues of pesticide chemicals in or on raw agricultural products, and establishes tolerances for color additives in foods, drugs, and cosmetics. These services are financed wholly by fees paid by the affected industries.

Workload data are as follows:

	1960 actual	1961 estimate	1962 estimate
Batches of antibiotics tested.....	16,601	17,000	17,000
Batches of insulin tested.....	350	360	360
Batches of color additives tested.....	5,628	6,100	6,600
Pesticide tolerances:			
Pesticides involved.....	23	25	25
Tolerances established.....	154	100	100
Color additive tolerances and listings.....	-----	20	40

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$29 thousand; 1959 (adjusted), \$32 thousand; 1960, \$75 thousand; 1961, \$175 thousand; 1962, \$75 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	906	1,200	1,270
Positions other than permanent.....	7	7	7
Other personnel compensation.....	29	26	23
Total personnel compensation.....	942	1,233	1,300

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	61	95	100
21 Travel and transportation of persons.....	16	23	25
22 Transportation of things.....	2	20	10
23 Rent, communications, and utilities.....	3	113	122
24 Printing and reproduction.....	16	14	16
25 Other services.....	45	59	52
Services of other agencies.....	15	75	16
26 Supplies and materials.....	94	162	148
31 Equipment.....	104	124	73
44 Refunds.....	6	20	20
Total obligations.....	1,304	1,938	1,882

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	151	193	193
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	145	180	193
Number of employees at end of year.....	153	193	193
Average GS grade.....	7.8	8.3	8.3
Average GS salary.....	\$6,427	\$7,023	\$7,023
Average salary of ungraded positions.....	\$3,607	\$3,943	\$3,943

PHARMACOLOGICAL-ANIMAL LABORATORY BUILDING

For [plans and] plans, specifications [for], and construction of a special pharmacological-animal laboratory for the Food and Drug Administration, [\$100,000] \$1,750,000, to remain available until expended. (21 U.S.C. 301-392; *Departments of Labor, Health, Education, and Welfare, Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Plans and specifications.....	-----	55	45
2. Construction.....	-----	-----	793
Total program costs.....	-----	55	838
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	-----	45	562
Total obligations.....	-----	100	1,400
Financing:			
Unobligated balance carried forward.....	-----	-----	350
New obligational authority (appropriation)	-----	100	1,750

1. *Plans and specifications* for a pharmacological-animal laboratory building are now underway and are expected to be completed during 1961.

2. *Construction.*—Funds are provided for construction of a pharmacological-animal laboratory building. It is planned that the proposed facility will be constructed at a suburban location and that it will house all pharmacological activities requiring the use of dogs.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$0; 1961, \$45 thousand; 1962, \$607 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services: Services of other agencies.....	-----	100	8
32 Lands and structures.....	-----	-----	1,392
Total obligations.....	-----	100	1,400

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Pharmacological studies for the National Cancer Institute.....	105	25	25
2. Miscellaneous services to other accounts and testing for other agencies.....	59	69	69
3. Proceeds from sale of equipment.....	4	2	2
Total program costs.....	168	96	96
4. Relation of costs to obligations:			
Selected resources at end of year: Unpaid undelivered orders.....	14	14	14
Selected resources at start of year (—): Unpaid undelivered orders.....	—4	—14	—14
Total obligations.....	178	96	96
Financing:			
Advances and reimbursements from—			
Other accounts.....	172	92	92
Non-Federal sources (40 U.S.C. 481(c)).....	6	4	4
Total financing.....	178	96	96

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	125	71	71
Other personnel compensation.....	3	2	2
Total personnel compensation.....	128	73	73
12 Personnel benefits.....	8	5	5
21 Travel and transportation of persons.....	6	2	2
24 Printing and reproduction.....	2	1	1
25 Other services.....	1	1	1
26 Supplies and materials.....	18	12	12
31 Equipment.....	5	2	2
Total costs.....	168	96	96
Obligations incurred for costs of other years, net.....	10		
Total obligations.....	178	96	96

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	27	10	10
Average number of all employees.....	22	10	10
Number of employees at end of year.....	20	10	10
Average GS grade.....	6.7	9.7	9.7
Average GS salary.....	\$5,776	\$7,662	\$7,662

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; **[\$3,294,600] \$3,736,000: 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. (*§2 D.C. Code 317-320; Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Inpatient services:			
(a) General hospital.....	2,878	3,213	3,401
(b) Tuberculosis hospital.....	455	477	485
(c) Full pay pavilion.....			343
2. Outpatient services.....	431	478	465
3. Training program.....	510	671	701
4. Administration.....	475	482	502
Total program costs.....	4,749	5,321	5,897
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—43	
Obligations incurred for costs of other years, net.....	61		45
Total obligations.....	4,810	5,278	5,942
Financing:			
Advances and reimbursements from non-Federal sources (32 D.C. Code 318).....	—1,623	—1,780	—2,206
Unobligated balance lapsing.....	3		
New obligational authority.....	3,190	3,498	3,736
New obligational authority:			
Appropriation.....	3,190	3,295	3,736
Proposed supplemental due to pay increases.....		203	

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 technical personnel. Operation of the hospital is financed by direct appropriation and income from the following sources:

RECEIPTS FOR PATIENT CARE

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Pay patients.....	1,156	1,243	1,524
District of Columbia.....	445	511	656
Other jurisdictions.....	22	26	26
Total receipts.....	1,623	1,780	2,206

1. *Inpatient services.*—The general hospital consists of 320 general beds and 50 bassinets. The tuberculosis hospital consists of 150 beds, including 56 beds which are to be opened in the middle of 1962 for short-term general medical and surgical cases. Admissions to this pavilion are to be restricted to those patients who are able to pay the full cost of their hospitalization. Patient loads are expected to be as follows:

FREEDMEN'S HOSPITAL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

AVERAGE DAILY PATIENT LOAD (EXCLUDING NEWBORN)

	1960 actual	1961 estimate	1962 estimate
(a) General hospital.....	268	270	270
(b) Tuberculosis hospital.....	53	56	56
(c) Full pay pavilion.....	---	---	15
Total.....	321	326	341

2. *Outpatient services.*—There are 36 clinics and 2 emergency operating rooms.

	1960 actual	1961 estimate	1962 estimate
Clinic visits.....	57,901	58,830	58,830
Emergency room visits.....	37,513	38,470	38,470
Total.....	95,414	97,300	97,300

3. *Training program.*—Average student enrollment in the training program is as follows:

	1960 actual	1961 estimate	1962 estimate
Student nurses.....	81	92	101
Residents and medical and dental interns.....	66	74	74
Administrative, dietetic, occupational therapy, pharmaceutical, and X-ray trainees.....	12	25	25
Total.....	159	191	200

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order: Stores (goods unconsumed by projects).....	68	85	58	54
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	57	95	79	128
Total selected resources at end of year.....	125	180	137	182
Selected resources at start of year (—).....	—125	—180	—137	—137
Adjustment of selected resources at start of year.....	5	---	---	---
Costs financed from obligations of other years (—).....	---	---	—43	---
Obligations incurred for costs of other years, net.....	---	61	---	45

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,956	3,203	3,484
Positions other than permanent.....	420	539	554
Other personnel compensation.....	437	503	558
Total personnel compensation.....	3,813	4,245	4,596
12 Personnel benefits.....	207	250	275
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	1	1	2
23 Rent, communications, and utilities.....	161	165	168
24 Printing and reproduction.....	3	4	4
25 Other services.....	42	49	121
Services of other agencies.....	12	13	13
26 Supplies and materials.....	574	585	639
31 Equipment.....	97	71	237
42 Insurance claims and indemnities.....	2	---	---
Subtotal.....	4,913	5,384	6,056
Deduct quarters and subsistence charges.....	103	106	114
Total obligations.....	4,810	5,278	5,942

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	677	700	833
Full-time equivalent of other positions.....	159	191	200
Average number of all employees.....	809	858	937
Number of employees at end of year.....	830	868	947
Average GS grade.....	5.0	5.0	4.9
Average GS salary.....	\$4,768	\$5,110	\$4,966
Average salary of ungraded positions.....	\$3,897	\$4,076	\$3,877

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. 15j), and section 202 of said Act (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 (20 U.S.C. 34), including \$4,000,000 for extension and improvement of practical nurse training under title II of the Vocational Education Act of 1946, as amended, which sum shall be available under such title also for the expansion and improvement of programs of practical nurse training in effect prior to August 2, 1956, and \$180,000 for vocational education in the fishery trades and industry including distributive occupations therein, \$33,702,081 \$33,672,081: *Provided*, 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, 1961; authorizing legislation to be proposed for 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants to States and possessions under George-Barden Act.....	32,718	33,527	33,527
2. Other grants to possessions.....	175	145	145
Total program costs—obligations (object class 41).....	32,893	33,672	33,672
Financing:			
Unobligated balance lapsing.....	810	---	---
New obligational authority (appropriation)	33,702	33,672	33,672

Grants are made on a matching basis to the States, Puerto Rico, the Virgin Islands, Guam, and the District of Columbia, according to different formulas, for training students and teachers in agriculture, home economics, trades and industry, distributive occupations, practical nursing, and the fishing trades. Additional grants for vocational education are provided through a permanent appropriation, and grants to support the training of highly skilled technicians are included under Defense educational activities. The 1962 estimate is based on extension of the authorizing legislation for practical nurse training. The appropriation for 1961 has been reduced by \$30 thousand by the Hawaii Omnibus Act (74 Stat. 411) which terminated the special grant for that State.

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]** \$8,194,000. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants to States (total costs—obligations) (object class 41)-----	2,502	2,502	8,194
Financing:			
New obligational authority (appropriation)-----	2,502	2,502	8,194

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 Puerto Rico receives a minimum of \$90 thousand, the balance being distributed on the basis of population.

GRANTS FOR LIBRARY SERVICES

For grants to the States, pursuant to the Act of June 19, 1956, as amended (20 U.S.C. 351-358), \$7,500,000. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants to States and possessions (total costs—obligations) (object class 41)-----	7,102	6,617	8,416
Financing:			
Unobligated balance brought forward-----	-1,184	-32	-916
Unobligated balance carried forward-----	32	916	
Unobligated balance lapsing-----	180		
New obligational authority (appropriation)-----	6,131	7,500	7,500

Grants are made to the States, 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 thousand (\$10 thousand for the Virgin Islands and Guam), the balance being distributed in proportion to rural population. This program was amended and extended for another 5 years, beginning in 1962, by Public Law 86-679.

A supplemental appropriation is anticipated in 1961 under Proposed for later transmission.

PAYMENTS TO SCHOOL DISTRICTS

For an additional amount for "Payments to school districts", fiscal year 1959, \$7,362,000.]

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), **[\$187,310,000]** \$77,000,000: *Provided*, That this appropriation shall also be available for carrying out the provisions of section 6 of such Act. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to local educational agencies-----	176,685	177,310	62,000
2. Payments to other Federal agencies-----	9,609	10,000	15,000
Total program costs—obligations-----	186,294	187,310	77,000
Financing:			
Unobligated balance lapsing-----	6		
New obligational authority (appropriation)-----	186,300	187,310	77,000

Payments are made to assist in the maintenance and operation of schools in areas where enrollments are affected 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 authorizes assistance to school districts in 1962 mainly for federally connected children whose parents both reside and work on Federal property. Portions of the law expiring in 1961 also provide assistance to school districts for children whose parents work on Federal property but do not reside on such property. Legislation is again recommended to redefine the Federal responsibility in assisting these affected school districts. A supplemental is shown under Proposed for later transmission which is dependent upon enactment of legislation modifying the program.

In 1962 payments will be made to about 1 thousand school districts and Federal agencies on account of the attendance of approximately 274 thousand federally connected pupils in all States, Puerto Rico, Virgin Islands, Guam, and Wake Island. This compares to some 4 thousand districts and about 1,633 thousand pupils in 1961.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
OFFICE OF EDUCATION			
41 Grants, subsidies, and contributions-----	186,221	187,199	76,889
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions-----	27	51	51
Positions other than permanent-----	10	12	12
Other personnel compensation-----	5	11	11
Total personnel compensation-----	42	74	74
12 Personnel benefits-----	1	2	2
21 Travel and transportation of persons-----	1	1	1
22 Transportation of things-----	1	1	1
23 Rent, communications, and utilities-----	1	2	2
25 Other services-----	17	22	22
26 Supplies and materials-----	3	5	5
41 Grants, subsidies, and contributions-----	10	9	9
Subtotal-----	76	116	116
Deduct quarters and subsistence-----	3	5	5
Total, allocation accounts-----	73	111	111
Total obligations-----	186,294	187,310	77,000

OFFICE OF EDUCATION—Continued

Current authorizations—Continued

PAYMENTS TO SCHOOL DISTRICTS—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Office of Education.....	186,221	187,199	76,889
Federal Aviation Agency.....	48	87	87
Department of the Interior (National Park Service).....	15	15	15
Veterans Administration.....	10	9	9

Personnel Summary

ALLOCATION ACCOUNTS			
Total number of permanent positions.....	6	9	9
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	6	9	9
Number of employees at end of year.....	4	9	9
Average GS grade.....	9.0	9.0	9.0
Average GS salary.....	\$6,021	\$6,490	\$6,508

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. 19), including not to exceed **[\$1,000,000]** \$810,000 for necessary expenses during the current fiscal year of technical services rendered by other agencies, **[\$63,392,000]** \$24,850,000, 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. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Assistance to local educational agencies.....	56,875	65,665	16,283
2. Assistance for school construction on Federal properties:			
(a) Under title II, Public Law 815.....		21	
(b) Under title III, Public Law 815.....	11,779	25,093	9,730
3. Payments for technical services.....	994	931	810
Total program costs.....	69,648	91,710	26,823
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—2,286		—1,973
Obligations incurred for costs of other years, net.....		2,732	
Total obligations.....	67,362	94,442	24,850
Financing:			
Unobligated balance brought forward.....	—37,267	—31,050	
Recovery of prior year obligations.....	—10		
Unobligated balance carried forward.....	31,050		
New obligational authority (appropriation).....	61,135	63,392	24,850

Payments are made to assist in construction of schools in districts where enrollments are affected by Federal activities. From 1951 through 1961, \$1,026 million has been appropriated for this program, aiding in the construction of an estimated 53,350 classrooms housing about 1.6 million pupils in the States, Puerto Rico, Guam, and Wake

Island. Funds requested for 1962 will assist in providing approximately 1,300 classrooms for about 36,430 children.

This program authorizes assistance to school districts in 1962 mainly for children whose parents both reside and work on Federal property. Portions of the law expiring in 1961 also provide assistance to school districts for children whose parents work on Federal property but do not reside on such property. It is recommended that the Congress reconsider the necessity for this part of the program when it considers general school construction legislation. No funds for continuation are included in this budget.

1. *Assistance to local educational agencies.*—Grants are made to local districts for school construction where enrollments are affected 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 property, the Commissioner of Education provides for the construction of schools. Also, under certain circumstances, the Commissioner may arrange to provide, on a temporary basis, school facilities for children of members of the Armed Forces on active duty, not residing on Federal property.

3. *Payments for technical services.*—Technical services rendered by the Housing and Home Finance Agency are necessary in connection with the construction of school facilities now in process and proposed for 1962.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$9,309 thousand; 1960, \$7,023 thousand; 1961, \$9,755 thousand; 1962, \$7,782 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
OFFICE OF EDUCATION			
41 Grants, subsidies, and contributions.....	56,875	65,665	16,283
ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
11 Personnel compensation: Positions other than permanent.....	58	78	78
12 Personnel benefits.....	6	7	7
21 Travel and transportation of persons.....	11	13	13
23 Rent, communications, and utilities.....	2	2	2
25 Other services.....	994	931	810
32 Lands and structures.....	9,416	27,746	7,657
Total, Housing and Home Finance Agency.....	10,487	28,777	8,567
Total obligations.....	67,362	94,442	24,850

Personnel Summary

ALLOCATION TO HOUSING AND HOME FINANCE AGENCY			
Average number of all employees.....	7	9	9
Number of employees at end of year.....	0	0	0

DEFENSE EDUCATIONAL ACTIVITIES

For grants, loans, and payments under the National Defense Education Act of 1958 (72 Stat. 1580-1605), **[\$173,050,000]** \$194,492,000, of which **[\$44,000,000]** \$58,430,000 shall be for capital contributions to student loan funds and loans for non-Federal capital contributions to student loan funds, of which not to exceed \$1,000,000 shall be for such loans for non-Federal capital contributions; **[\$57,750,000]** \$54,000,000 shall be for grants to

States and loans to nonprofit private schools for science, mathematics, or modern foreign language equipment and minor remodeling of facilities; [and] \$3,750,000 shall be for grants to States for supervisory and other services; [\$9,000,000] \$11,800,000 shall be for grants to States for area vocational education programs; and \$15,000,000 shall be for grants to States for testing, guidance, and counseling: *Provided [further], That the amount of any State's allotment under section 302(a) of such Act from this appropriation which such State certifies will not be applied for under title III of such Act may be reallocated from time to time by the Commissioner of Education among other States applying therefor in proportion to their original allotments from this appropriation, 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 or as to exceed the amount which the Commissioner determines is needed and can be used by the State prior to July 1, 1963, for projects under its approved State plan [no part of this appropriation shall be available for the purchase of science, mathematics, and modern language teaching equipment, or equipment suitable for use for teaching in such fields of education, which can be identified as originating in or having been exported from a Communist country, unless such equipment is unavailable from any other source].*

[Grants, loans,] Loans and payments under the National Defense Education Act, next succeeding fiscal year: For making, after May 31 of the current fiscal year, loans, [and] payments under [all titles] title II of the National Defense Education Act, 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 for the same purpose for that fiscal year.

[For an additional amount for capital contributions to student loan funds under title II of the National Defense Education Act of 1958 (72 Stat. 1580-1605), applications for which were filed by the June 30, 1960, deadline date, and for loans for non-Federal capital contributions to student loan funds, \$14,430,000, of which not to exceed \$201,210 shall be for such loans for non-Federal capital contributions.] (Department of Health, Education, and Welfare Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Student loans:			
(a) Contributions to loan funds.....	40,389	57,729	57,430
(b) Loans to educational institutions.....	279	701	1,000
2. Science, mathematics, and foreign language instruction:			
(a) Acquisition of equipment and minor remodeling:			
(1) Grants to States.....	46,335	49,265	55,588
(2) Loans to nonprofit private schools.....	394	2,000	2,000
(b) Grants to States for supervision and administration.....	2,530	2,891	3,101
3. National defense fellowships.....	12,570	20,268	22,763
4. Guidance, counseling, and testing:			
(a) Grants to States.....	14,760	14,868	14,932
(b) Institutes for counseling personnel.....	3,991	6,234	6,850
5. Advanced training in foreign areas and languages:			
(a) Training centers.....	2,045	2,261	4,850
(b) Institutes for language teachers.....	2,521	5,586	7,450
(c) Research.....	2,375	4,624	2,500
6. Educational media research.....	3,040	3,779	4,675
7. Grants to States for area vocational programs.....	6,904	9,000	11,800
8. Grants to States for statistical services.....	1,129	1,233	1,550
Total program costs.....	139,262	180,439	196,489
9. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	5,200	2,513	850
Total obligations.....	144,462	182,952	197,339
Financing:			
Unobligated balance brought forward.....	-16,663	-22,194	-19,332
Unobligated balance carried forward.....	22,194	19,332	10,804
Unobligated balance lapsing.....	9,707	7,390	5,681
New obligational authority (appropriation)	159,700	187,480	194,492

Grants and payments are made to States and possessions, educational institutions, and individuals for the following purposes:

1. *Student loans.*—Funds are allotted among the States for payments to institutions of higher education to provide capital contributions to student loan funds. These payments must be matched at the rate of one dollar from institutional sources for each nine Federal dollars. In addition, loans are made to institutions which are unable to provide matching funds. In 1959, a total of 27,000 loans were made by 1,200 institutions of higher education; in 1960, loans were made to 120,002 students in 1,360 institutions; and 145,000 students in 1,407 institutions are expected to borrow in 1961.

2. *Science, mathematics, and foreign language instruction.*—Grants are made to States on a matching basis for acquisition of equipment and minor remodeling of laboratory or other space; each appropriation for this purpose is available for 2 years. Loans are made to nonprofit private schools for similar uses. The demand for these loans has not been as great as the percentage of the appropriation required to be reserved for this purpose, thus causing an unobligated balance to be lapsed each year. Grants are also made to States for supervision and administration of the program.

3. *National defense fellowships.*—Fellowships are awarded to individuals and grants are made to institutions where such individuals are enrolled. The objectives of the program are to expand graduate programs for training of college and university teachers and to promote broader geographical distribution of graduate training facilities.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Number of fellowships awarded.....	1,000	1,500	1,500	1,500
Number of graduate programs.....	272	472	572	720

4. *Guidance, counseling, and testing.*—Grants are made to States to assist in establishing and maintaining programs of testing, guidance, and counseling, and contracts are made with institutions of higher education for operation of institutes for improved training of counseling personnel, including provision for stipends to those in attendance.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Number of participants supported at institutions.....	2,421	3,632	3,356	3,500

5. *Advanced training in foreign areas and languages.*—Contracts are made with institutions of higher education for Federal payment of one-half the cost of operation of language and area study centers and full costs of institutes for advanced training of modern foreign language teachers. Stipends are paid to persons in attendance. In addition, 20 contracts in 1959 and 95 in 1960 were made for research in foreign language instruction.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Number of individuals receiving stipends for language and area studies.....	160	474	843	1,150
Number of participants supported at institutes.....	970	2,145	4,333	4,333

6. *Educational media research.*—Research and demonstrations, financed by grants and contracts, are conducted in the use of new media for educational purposes. In 1961 a total of 120 grants and contracts were made compared with 114 in 1960 and 37 in 1959.

7. *Grants to States for area vocational programs.*—Grants are made on a matching basis to States to provide for establishing technical and subprofessional training programs.

OFFICE OF EDUCATION—Continued

Current authorizations—Continued

DEFENSE EDUCATIONAL ACTIVITIES—Continued

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 thousand annually.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5,187 thousand; 1960, \$10,387 thousand; 1961, \$12,900 thousand; 1962, \$13,750 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	14,872	20,687	21,738
33 Investments and loans.....	41,062	60,430	60,430
41 Grants, subsidies, and contributions.....	88,528	101,835	115,171
Total obligations.....	144,462	182,952	197,339

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, as amended (20 U.S.C. [61] 611-617), \$1,000,000. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants to institutions of higher education.....	462	430	430
2. Grants to States.....	523	570	570
Total program costs—obligations (object class 41).....	985	1,000	1,000
Financing:			
Unobligated balance lapsing.....	15		
New obligational authority (appropriation).....	1,000	1,000	1,000

1. *Grants to institutions of higher education.*—Grants are made to assist in training of professional personnel in fields related to education of mentally retarded children. In 1960, about 84 fellowships, along with grants to assist in covering the cost of training each fellow, were allocated to 19 institutions. During 1961 and in 1962 about 68 fellowships are expected to be allocated, along with supporting grants, and 3 grants to stimulate development of advanced graduate programs in geographic regions not currently served.

2. *Grants to States.*—Grants are made to State educational agencies to assist in establishing fellowships for personnel engaged or preparing to engage in employment as supervisors of educational programs for mentally retarded children. In 1960, about 92 fellowships with supporting grants were awarded. During 1961 and in 1962 it is estimated that 100 fellowships will be awarded, and grants will be made to assist institutions in meeting the cost of training each fellow.

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); **[\$13,400,000]** \$15,100,000, of which not less than \$550,000 shall be available for the Division of Vocational Education as authorized. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Statistics and research:			
(a) Services.....	1,456	1,744	2,227
(b) Cooperative research.....	3,052	3,407	3,788
2. Administration of school assistance in federally affected areas.....	1,320	1,428	1,425
3. Vocational education.....	818	894	888
4. Higher education.....	1,583	1,845	1,964
5. International education.....	297	356	418
6. State and local school systems.....	2,135	2,611	2,638
7. Program direction and services.....	1,407	1,687	1,836
Total program costs.....	12,068	13,972	15,184
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—97	—84
Obligations incurred for costs of other years, net.....	220		
Total obligations.....	12,288	13,875	15,100
Financing:			
Unobligated balance lapsing.....	512		
New obligational authority.....	12,800	13,875	15,100
New obligational authority:			
Appropriation.....	12,800	13,400	15,100
Proposed supplemental due to pay increases.....		475	

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 division 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. Motion picture films for the deaf are captioned and disseminated.

(b) *Cooperative research.*—Research and demonstration projects are carried on in cooperation with colleges, universities, and State educational agencies. Projects are supported in such areas as education of the mentally retarded, gifted, and handicapped; student achievement and characteristics; qualities of effective teachers; the learning process; and school administration. From 1957, when the program began, through 1960, 265 projects were supported, of which 104 have been completed.

2. *Administration of school assistance in federally affected areas.*—Applications for school construction and operation, aid to school districts affected 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 are administered for vocational education under the George-Barden, Smith-Hughes, and National Defense Education Acts.

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 division 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 teachers 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 and 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 concerning elementary and secondary education and State and local school administration; advisory services are provided to Federal, State, and local agencies, and to professional groups. The division 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 improving statistical services. The division also administers the grant program to increase training of personnel who will engage in education of mentally retarded children as well as the program to encourage and assist in establishment of science clubs.

7. *Program direction and services.*—Central direction, management, and other services to the various programs of the Office are provided; legislative programs and studies and reports on Federal and State educational legislation are developed; and information services are made available to the public. A program of regional representation is also provided.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1,492 thousand; 1960, \$1,712 thousand; 1961, \$1,615 thousand; 1962, \$1,531 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,379	7,810	8,397
Positions other than permanent.....	205	105	27
Other personnel compensation.....	112	44	-----
Total personnel compensation.....	6,696	7,960	8,424
12 Personnel benefits.....	422	581	617
21 Travel and transportation of persons.....	629	734	823
22 Transportation of things.....	11	8	8
23 Rent, communications, and utilities.....	190	195	226
24 Printing and reproduction.....	555	473	484
25 Other services.....	405	448	619
Cooperative research agreements.....	3,196	3,357	3,650
26 Supplies and materials.....	102	87	91
31 Equipment.....	81	32	98
32 Lands and structures.....	-----	-----	60
Total obligations.....	12,288	13,875	15,100

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,022	1,047	1,120
Full-time equivalent of other positions.....	28	13	3
Average number of all employees.....	911	997	1,057
Number of employees at end of year.....	1,127	1,016	1,154
Average GS grade.....	9.0	9.1	9.2
Average GS salary.....	\$7,284	\$7,991	\$7,971

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

¶ For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, \$30,750 of which not less than \$14,400 \$9,000, which shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States. (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research in foreign education (total program cost).....	-----	26	14
2. Relation of cost to obligations:			
Costs financed from obligations of other years, net (—).....	-----	-----	—5
Obligations incurred for costs of other years, net.....	-----	5	-----
Total obligations.....	-----	31	9
Financing:			
New obligational authority (appropriation).....	-----	31	9

1. Comparative education studies on educational systems of other countries are made and resulting information disseminated. Costs of administration for the studies are absorbed in the regular appropriation.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1961, \$5 thousand; 1962, \$0.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	-----	10	3
25 Other services.....	-----	20	6
26 Supplies and materials.....	-----	1	-----
Total obligations.....	-----	31	9

【LAND-GRANT COLLEGE AID】

【For payment to the State of Hawaii, as authorized by section 14(e) of the Hawaii Omnibus Act (Public Law 86-624, approved July 12, 1960), \$2,225,000.】 (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Land grant college aid (total costs—obligations) (object class 41).....	-----	2,225	-----

OFFICE OF EDUCATION—Continued

Current authorizations—Continued

[LAND-GRANT COLLEGE AID]—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
New obligational authority (appropriation).....		2,225	

The Hawaii Omnibus Act, Public Law 86-624, authorized an appropriation to Hawaii in lieu of a land grant for the support of the college of agriculture and the mechanic arts of the State. The funds must be invested to yield an income in accordance with those provisions of the Morrill Act of 1862 relating to use of land-grant funds held by similar institutions of higher education.

Permanent authorizations:

COLLEGES FOR AGRICULTURE AND THE MECHANIC ARTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants to States (total costs—obligations) (object class 4).....	2,550	2,550	2,550
Financing:			
New obligational authority (appropriation)....	2,550	2,550	2,550

Each State and Puerto Rico receives \$50 thousand 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).

**PROMOTION OF VOCATIONAL EDUCATION, ACT FEBRUARY 23, 1917
(Indefinite)**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants to States (total costs—obligations) (object class 4).....	7,161	7,170	7,170
Financing:			
New obligational authority (appropriation)....	7,161	7,170	7,170

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).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. College housing loan program (Housing and Home Finance Agency).....	23	25	
2. Survey of research activities in institutions of higher education (National Science Foundation).....	15		
3. Survey of programs of study of graduate students (National Science Foundation and National Institutes of Health).....	19	25	
4. White House Conference on Aging (Office of Secretary).....	18	18	
5. Federal funds for science education (National Science Foundation).....	21	49	
6. Consultative services to non-Federal agencies (5 U.S.C. 623f; 71 Stat. 224)....	40	53	53
7. Miscellaneous services to other agencies...	9	3	3
Total program costs.....	145	173	56
8. Relation of costs to obligations:			
Selected resources at end of year, unpaid undelivered orders.....	1		
Selected resources at start of year, unpaid undelivered orders (—).....		—1	
Total obligations.....	146	172	56
Financing:			
Unobligated balance brought forward.....	33	7	
Advances and reimbursements from—			
Other accounts.....	82	112	3
Non-Federal sources (40 U.S.C. 481(c); 68 Stat. 439).....	40	53	53
Unobligated balance carried forward.....	—7		
Unobligated balance lapsing.....	—2		
Total financing.....	146	172	56

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	73	83	
Positions other than permanent.....	7	7	
Other personnel compensation.....	1		
Total personnel compensation.....	81	90	
12 Personnel benefits.....	5	7	
21 Travel and transportation of persons.....	43	61	53
23 Rent, communications, and utilities.....	2	1	
24 Printing and reproduction.....	5	4	3
25 Other services.....	3	8	
26 Supplies and materials.....	1	1	
31 Equipment.....	6	1	
Total costs.....	145	173	56
Costs financed from obligations of other years, net (—).....		—1	
Obligations incurred for costs of other years, net.....	1		
Total obligations.....	146	172	56

Personnel Summary

	1960 actual	1961 estimate
Total number of permanent positions.....	19	13
Full-time equivalent of other positions.....	1	1
Average number of all employees.....	13	13
Number of employees at end of year.....	15	14
Average GS grade.....	7.6	8.0
Average GS salary.....	\$6,133	\$7,002

Proposed for later transmission:

GRANTS FOR LIBRARY SERVICES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants to States and possessions (total costs—obligations).....		1,369	
Financing:			
New obligational authority (proposed supplemental appropriation).....		1,369	

Under existing legislation, 1961.—A supplemental request of \$1.4 million is anticipated, because expected requirements under the authorized allotment among the States of \$7.5 million cannot be met within the \$6.1 million appropriation.

PAYMENTS TO SCHOOL DISTRICTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments to local educational agencies (total costs—obligations).....			93,036
Financing:			
New obligational authority (proposed supplemental appropriation).....			93,036

Under proposed legislation, 1962.—Legislation is recommended relating to certain provisions of the program for financial assistance in maintenance and operation of schools in federally affected areas. Such legislation would extend expiring portions of the current program on a modified basis which more appropriately defines the Federal responsibility for assisting local school districts.

OFFICE OF VOCATIONAL REHABILITATION

Current authorizations:

GRANTS TO STATES

For grants to States in accordance with the Vocational Rehabilitation Act, as amended, **[\$56,200,000]** \$76,500,000, of which **[\$54,700,000]** \$75,000,000 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 **[: Provided, That allotments under section 2 of said Act to the States for the current fiscal year shall be made on the basis of \$70,000,000, and this amount shall be considered the sum available for allotments under such section for such fiscal year].**

Grants to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, grants to States under sections 2 and 3 of the Vocational Rehabilitation Act, as amended, for the first quarter of the next succeeding fiscal year such sums as may be necessary, the obligations incurred and the expenditures made thereunder to be charged to the appropriation therefor for that fiscal year: **Provided, That the payments made pursuant to this paragraph shall not exceed the amount paid to the States for the first quarter of the current fiscal year. (29 U.S.C. 31-42; 68 Stat. 652; Department of Health, Education, and Welfare Appropriation Act, 1961.)**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Vocational rehabilitation services.....	49,072	54,700	59,540
2. Extension and improvement projects.....	987	1,500	1,500
Total program costs—obligations (object class 4).....	50,059	56,200	61,040
Financing:			
Unobligated balance lapsing:			
Appropriation.....	1,841		15,460
Contract authorization.....	9,100	15,300	
New obligational authority.....	61,000	71,500	76,500
New obligational authority:			
Appropriation.....	51,900	56,200	76,500
Contract authorization.....	9,100	15,300	

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.

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.

SIGNIFICANT PROGRAM DATA

[Dollars in thousands]

	1960 actual	1961 estimate	1962 estimate
Grants to States.....	\$50,059	\$56,200	\$61,040
State matching funds.....	\$30,489	\$34,390	\$37,660
Number of clients.....	297,950	317,800	337,000
Number of completed rehabilitations.....	88,275	96,000	103,000

RESEARCH AND TRAINING

For grants and other expenses (including not to exceed \$150,000, in addition to funds provided elsewhere, for **]** *except* administrative expenses) for research, training, traineeships, and other special projects, pursuant to section 4 of the Vocational Rehabilitation Act, as amended, for expenses of carrying out the training functions provided for in section 7 of said Act, and for expenses of studies, investigations, demonstrations, and reports, and of dissemination of information with respect thereto pursuant to section 7 of said Act, **[\$15,430,000]** \$17,250,000. (29 U.S.C. 34, 37; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$170 thousand for activities transferred in the estimates to "Salaries and expenses." The amounts obligated in 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research and demonstration grants.....	6,390	8,184	8,700
2. Teaching grants.....	3,036	3,526	3,991
3. Traineeships.....	3,161	3,734	4,559
Total program costs—obligations.....	12,587	15,444	17,250

OFFICE OF VOCATIONAL REHABILITATION—Con.

Current authorizations—Continued

RESEARCH AND TRAINING—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		96	
Unobligated balance brought forward.....		—110	
Unobligated balance carried forward.....	110		
Unobligated balance lapsing.....	3		
New obligational authority (appropriation)	12,700	15,430	17,250

1. *Research and demonstration grants.*—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.

[Dollars in thousands]

	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
New projects.....	102	\$2,911	104	\$3,110	95	\$3,300
Continuing projects.....	134	3,478	151	5,074	166	5,400
Total.....	236	6,390	255	8,184	261	8,700

2 and 3. *Teaching grants and traineeships.*—For the 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.

[Dollars in thousands]

	1960 actual		1961 estimate		1962 estimate	
	Number	Amount	Number	Amount	Number	Amount
Teaching grants.....	278	\$3,036	291	\$3,526	320	\$3,991
Traineeships.....	4,442	3,072	4,538	3,582	4,715	4,385
Research fellowships.....	24	89	36	152	41	174
Total.....	5,044	6,197	5,365	7,260	5,376	8,550

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	35	35	50
25 Other services.....	717	900	1,200
41 Grants, subsidies, and contributions.....	11,835	14,509	16,000
Total obligations.....	12,587	15,444	17,250

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, and for carrying out the functions of the Office of Vocational Rehabilitation under the International Health Research Act of 1960 (74 Stat. 364), to remain available until expended, [\$930,000, of] \$1,372,000, which [not less than \$780,000] shall be available to purchase currencies which the Treasury Department shall deter-

mine to be excess to the normal requirements of the United States [: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States]. (29 U.S.C. 34, 37; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Studies of vocational rehabilitation overseas (total obligations).....		810	1,003
Financing:			
Unobligated balance brought forward.....			—120
Unobligated balance carried forward.....		120	489
New obligational authority (appropriation)		930	1,372

Studies of vocational rehabilitation overseas.—Research, demonstration, and research training programs are supported with foreign currencies accruing to the U.S. through the sale of surplus agricultural commodities and through other sources. The research and demonstration programs are directed to the solution of problems which hold promise of contributing knowledge to the advancement of rehabilitation both in the U.S. and in other countries. Research training and fellowships are provided to increase the rehabilitation research resources.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		10	15
25 Other services.....		800	988
Total obligations.....		810	1,003

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, [\$1,871,000] \$2,325,000. (29 U.S.C. 31-42; 49 Stat. 1559; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$170 thousand for activities previously carried under "Research and training." The amounts obligated in 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. State program operations.....	779	923	1,048
2. Research and training.....	319	503	595
3. Management services.....	250	297	319
4. Executive direction and program coordination.....	269	327	358
Total program costs.....	1,617	2,050	2,320
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—6		
Obligations incurred for costs of other years, net.....		6	4
Total obligations.....	1,612	2,056	2,324

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers from (—) other accounts.....		—96	
Unobligated balance lapsing.....	126		
New obligational authority.....	1,738	1,959	2,325
New obligational authority:			
Appropriation.....	1 738	1,871	2,325
Proposed supplemental due to pay increases.....		88	

This Office administers the program of grants to States for vocational rehabilitation, the vocational rehabilitation research and training programs, and the program of licensing the blind to operate vending stands on Federal and other properties. Direction is provided for the Medical Facilities Survey and Construction Act as it pertains to rehabilitation facilities, and national and international program plans are developed.

1. *State program operations.*—State plans are approved and allotments and grants are made; administration of regional office activities and field relationships with States are coordinated; overall program plans are developed; old-age and survivors insurance referrals are coordinated; and Federal-State programs for rehabilitating blind persons are developed.

2. *Research and training.*—Research grants for projects to develop and demonstrate new rehabilitation methods and techniques and grants for training and traineeships to provide additional specialized personnel in rehabilitation are administered; standards and services pertaining to technical aspects of rehabilitation, medical services and facilities are developed; technical advisory services are provided.

3. *Management services.*—General administrative and management services are provided the several program areas; statistical measurement and analysis of programs is undertaken, including the development of special studies.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$13 thousand; 1959 (adjusted), \$10 thousand; 1960, \$16 thousand; 1961, \$22 thousand; 1962, \$26 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,194	1,487	1,680
Positions other than permanent.....	28	41	51
Other personnel compensation.....	65	115	110
Total personnel compensation.....	1,288	1,644	1,842
12 Personnel benefits.....	78	118	132
21 Travel and transportation of persons.....	83	116	151
22 Transportation of things.....	2	2	3
23 Rent, communications, and utilities.....	29	33	37
24 Printing and reproduction.....	39	43	50
25 Other services.....	60	72	78
26 Supplies and materials.....	14	12	14
31 Equipment.....	20	15	18
Total obligations.....	1,612	2,056	2,325

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	184	197	220
Full-time equivalent of other positions.....	4	4	5
Average number of all employees.....	165	188	212
Number of employees at end of year.....	200	218	246
Average GS grade.....	9.0	9.2	9.4
Average GS salary.....	\$7,281	\$8,095	\$8,193

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Participation in White House Conference on Aging (total obligations).....	17	15	
Financing:			
Advances and reimbursements from other accounts.....	18	15	
Unobligated balance lapsing.....	—1		
Total financing.....	17	15	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	15	13	
12 Personnel benefits.....	1	1	
21 Travel and transportation of persons.....	1	1	
Total obligations.....	17	15	

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2	2	
Average number of all employees.....	2	2	
Number of employees at end of year.....	2	0	
Average GS grade.....	10.0	10.0	
Average GS salary.....	\$8,559	\$9,298	

PUBLIC HEALTH SERVICE

The Service assists 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, medicine and related areas of science; 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:

(a) The Bureau of State Services operates principally in the fields of Federal-State and interstate public health programs, through grants and direct operations involving research, development, demonstrations, consultative services, training, and construction of hospitals and other medical care facilities.

(b) The Bureau of Medical Services administers the medical care programs for merchant seamen, coastguardsmen, Indians, Alaskan natives, and other beneficiaries

PUBLIC HEALTH SERVICE—Continued

designated by the Congress; 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 U.S. ports and of visa applicants in foreign countries.

(c) The National Institutes of Health constitutes the primary research arm of the Service and is further described in a subsequent statement.

(d) The National Center for Health Statistics provides necessary information through the operation of the National Health Survey and the National Office of Vital Statistics.

(e) The National Library of Medicine collects and disseminates medical literature.

(f) The Office of the Surgeon General formulates general policy, furnishes central administrative services, and operates special programs such as international health activities.

Legislation has been proposed to reorganize the Public Health Service with particular reference to community and environmental health programs. The appropriation structure has been modified to reflect the proposed reorganization and the following table indicates comparable dollar levels of new obligational authority for 1960, 1961, and 1962, by major program (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Buildings and facilities.....	300	3,470	16,630
Community health activities.....	51,425	58,313	61,750
Hospital construction activities.....	187,850	187,936	152,972
Environmental health activities.....	22,610	34,813	41,860
Grants for waste treatment works construction.....	46,816	45,000	50,000
Medical care and foreign quarantine.....	95,599	103,517	106,912
Construction of Indian health facilities.....	4,787	9,714	6,616
Reappropriation.....	159		
National Institutes of Health:			
General research and services.....	40,572	76,695	87,404
National Cancer Institute.....	91,074	110,780	109,292
Mental health activities.....	68,018	95,603	82,922
National Heart Institute.....	61,740	86,196	91,357
National Institute of Dental Research.....	8,049	13,350	13,035
Arthritis and metabolic disease activities.....	46,642	60,855	62,239
Allergy and infectious disease activities.....	33,482	43,150	44,285
Neurology and blindness activities.....	41,390	49,409	49,466
Total, National Institutes of Health.....	390,967	536,038	540,000
Grants for construction of health research facilities.....	30,000	30,000	30,000
Scientific activities overseas (special foreign currency program).....		3,707	10,084

	1960 actual	1961 estimate	1962 estimate
National health statistics.....	3,023	4,046	4,642
Operations, National Library of Medicine.....	1,566	1,738	2,066
Retired pay of commissioned officers (indefinite).....	1,682	1,920	2,180
Salaries and expenses, Office of the Surgeon General.....	4,478	5,132	5,275
Construction of mental health-neurology research facility.....		12,139	
Construction of dental research building (reappropriation).....		306	
Proposed for later transmission (Indian health activities).....		538	
Total new obligational authority.....	841,263	1,038,327	1,030,987

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 two thousand [one] six hundred commissioned officers in the Regular Corps; expenses incident to the dissemination of health information in foreign countries through exhibits and other appropriate means; [and 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] \$285 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; purchase, erection, and maintenance of temporary or portable structures; 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 \$19,000 per annum; Provided, That section 208(g) of the Public Health Service Act, as amended, is amended by striking out "eighty-five", and inserting in lieu thereof "one hundred and fifty", and by striking out "seventy-three" and inserting in lieu thereof "one hundred and fifteen"; as follows: (Department of Health, Education, and Welfare Appropriation Act, 1961.)

BUILDINGS AND FACILITIES

For construction, major repair, improvement, extension, and equipment of Public Health Service facilities, not otherwise provided, including plans and specifications and acquisition of sites, [\$3,470,000] \$16,630,000, to remain available until expended; Provided, That the balances of appropriations heretofore made available for construction, major repair, improvement, extension, or equipment of any Public Health Service facilities (except construction of Indian health facilities) and remaining unexpended on June 30, 1960, shall be merged with this appropriation. (42 U.S.C. 248; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Communicable disease center.....	12,600			400	4,200	200	8,000	12,000	
2. Construction of animal quarters (at the National Institutes of Health, Bethesda, Md.).....	2,606	1,217		94	489	1,210	806	85	
3. Research facilities construction and site acquisition.....	11,000		147	239	1,329	14	1,485	2,800	7,800
4. Construction of General Office Building No. 2 (NIH).....	700				448		252	700	
5. Middle America Research Unit housing.....	400				389		11	400	
6. Construction of master utilities extension (NIH).....	645				459		186	645	

Program and Financing (in thousands of dollars)—Continued

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities—Continued									
7. Environmental health center.....	785			450	335	306			
8. Construction of research facilities, Lexington, Ky.....	350			21	311	329	18		
9. Extension of Clinical Center cafeteria.....	335			29	306				
10. Construction of animal quarters, Hamilton, Mont.....	150		147	3					
11. Construction of library facilities.....	7,300	283	1,947	3,544	907	1,527	620		
12. Construction of dental research building.....	3,799	303	1,800	1,695					
13. Construction of surgical facilities.....	1,965	98	976	891					
14. General office building.....	9,925	346	2,070	6,300	1,041	1,209	168		
15. Equipment, Communicable Disease Center.....	1,700	264	986	450					
16. Construction of biologics standards laboratory building.....	3,500	2,157	1,268	76					
17. Construction of research facilities (Clinical Center, NIH).....	61,126	61,126							
Total program costs.....	118,886	65,794	9,340	14,191	10,214	4,795	11,546	16,630	7,800
18. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....				-7,566					
Obligations incurred for costs of other years, net.....			474		4,050				
Total obligations.....			9,814	6,625	14,264				
Financing:									
Unobligated balance brought forward.....			-14,295	-4,548	-1,699				
Recovery of prior year obligations.....			-74						
Unobligated balance carried forward.....			4,548	1,699	4,065				
Unobligated balance lapsing.....			307						
New obligational authority.....			300	3,776	16,630				
New obligational authority:									
Appropriation.....			300	3,470	16,630				
Reappropriation.....				306					

This appropriation includes all direct construction items of the Public Health Service except construction of Indian health facilities, planning for a cancer research facility, and construction of a mental health-neurology research facility. The cancer building planning funds were appropriated to the National Cancer Institute and the mental health-neurology facility is being financed by transfer of \$12.1 million in 1961 from the Mental health activities and Neurological diseases and blindness activities appropriations. A distribution of appropriations from this account for construction of buildings and procurement of facilities ancillary to various programs of the Public Health Service follows (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Bureau of State Services.....	1,700	---	1,385	12,000
National Institutes of Health.....	13,722	300	2,391	4,630
National Library of Medicine.....	6,975	---	---	---
Total.....	22,397	300	3,776	16,630

PROPOSED PROJECTS

The following construction projects will necessitate the provision of additional funds in 1962:

1. *Communicable disease center.*—Arrangements for acquisition of a site and development of plans and specifica-

tions for the communicable disease center at Atlanta, Ga., will be concluded in 1961 with available funds. The request for 1962, in the amount of \$12 million is for construction of the new buildings: (a) laboratory, service, and office space, and (b) an off-site facility for breeding, holding, and grazing experimental animals. These would replace presently inadequate and geographically separated facilities at Chamblee and Savannah, Ga., and Chapel Hill, N.C.

2. *Construction of animal quarters (at the National Institutes of Health, Bethesda, Md.).*—Funds presently available are being used to construct and equip a new cage-washing facility and convert wings 14F and G from office space back to the originally intended purpose of animal production. Funds in the amount of \$85 thousand are required in 1962 for converting space to provide for proper control, rigid caretaker practices, and testing procedures required in the breeding of pathogen-free animals.

3. *Research facilities construction and site acquisition.*—Acquisition of a site for a large animal facility to serve the National Institutes of Health was accomplished in 1960. In 1961 the design of a records storage building and first stage of permanent animal buildings, construction of temporary bleeding stalls, and other minor structures will be concluded. Funds requested for 1962 are for the first

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

BUILDINGS AND FACILITIES—Continued

phase of construction: electrical feed line and part of an electrical distribution system; some animal facilities, initial water supply and sewage requirements, roads, heating and air conditioning, and development of plans and specifications for additional construction.

4. *Construction of general office building No. 2.*—The estimate provides \$700 thousand for plans and specifications for a second general office building on the NIH grounds at Bethesda, Md., for housing approximately 1,400 administrative and management personnel. Continued growth of the NIH programs indicates that the office building now under construction will not be adequate to meet foreseeable needs. Planning is estimated to require 18 months. The general office building shown in activity 14, financed from previous appropriations, is scheduled for completion in July 1961.

5. *Middle America Research Unit housing.*—Funds in the amount of \$400 thousand are required to provide housing facilities for staff members and their families stationed at the Middle America Research Unit in the Canal Zone. Planning and construction are estimated to require 14 months.

6. *Construction of master utilities extension (NIH).*—The estimate provides \$645 thousand for extension of the master utility resources to provide adequate facilities for servicing additional structures now being planned, as well as to alleviate already seriously overloaded utility resources.

CONTINUING PROJECTS

The following projects are being planned or constructed under appropriations currently available:

7. *Environmental health center.*—The 1961 appropriation act included \$785 thousand for planning a new environmental health center. Planning will continue through 1962 to determine the scope of this project.

8. *Construction of research facilities, Lexington, Ky.*

9. *Extension of Clinical Center cafeteria.*

10. *Construction of animal quarters, Hamilton, Mont.*

11. *Construction of library facilities.*

12. *Construction of dental research building.*

13. *Construction of surgical facilities.*

14. *General office building.*

The research facility at the Addiction Research Center, Lexington, Ky., is scheduled for completion in March 1962. The Clinical Center cafeteria extension will provide additional facilities for serving employees at NIH. Plans and construction will require about 16 months. The facility for small animals at the Rocky Mountain Laboratory at Hamilton, Mont., is complete except for a few items of equipment to be installed in 1961. The library facilities, scheduled for completion in June 1961, will provide a new location for the National Library of Medicine at Bethesda, Md. The dental research building is scheduled for completion about January 1961. The new surgical facilities are scheduled for completion in March 1961. Associated with the construction of the general office building is expansion of the powerplant for air-conditioning purposes. Included are extension of a building, erection of cooling tower, installation of compressor and space for installation of additional compressor equipment at a later date.

COMPLETED PROJECTS

15. *Equipment, Communicable Disease Center.*

16. *Construction of biologics standards laboratory building.*

17. *Construction of research facilities (Clinical Center, NIH).*

The purchase and installation of equipment at the Communicable Disease Center building at Atlanta, Ga., will be completed in 1961. The biologics standards laboratory and the research facilities at Bethesda, Md., form a part of the general expansion of the facilities of the National Institutes of Health.

18. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$10,597 thousand; 1959 (adjusted), \$10,523 thousand; 1960, \$10,997 thousand; 1961, \$3,431 thousand; 1962, \$7,481 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PUBLIC HEALTH SERVICE			
25 Other services.....	213	208	75
26 Supplies and materials.....	46		
31 Equipment.....	732	59	
32 Lands and structures.....	145	932	474
Total, Public Health Service.....	1,136	1,200	549
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....		3	3
24 Printing and reproduction.....	17	13	17
25 Other services.....	315	2,022	9,693
31 Equipment.....	226	312	762
32 Lands and structures.....	8,119	3,076	3,241
Total, General Services Administration.....	8,677	5,426	13,716
Total obligations.....	9,814	6,625	14,264

[ASSISTANCE TO STATES, GENERAL] COMMUNITY HEALTH ACTIVITIES

【To carry out the purposes】 For expenses not otherwise 【specifically】 provided for, 【of section,】 necessary to carry out sections 301, 311, 314 【(c)】, and 361 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; and to provide】 for grants and traineeships pursuant to 【section】 sections 306, 307, and 309 of the Act; 【\$24,620,000】 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; including purchase of not to exceed three passenger motor vehicles for replacement only; and hire, maintenance and operation of aircraft; \$61,750,000, of which not less than \$4,000,000 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 tuberculosis 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 of care in hospitals and sanatoriums.

【For an additional amount for "Assistance to States, general," \$2,500,000, including funds to provide project grants for public health training pursuant to section 309 of the Public Health Service Act, as amended.】 (Department of Health, Education, and Welfare

Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$34,705 thousand for activities previously carried under the following titles (in thousands of dollars):

"Foreign quarantine activities".....	162
"Control of tuberculosis".....	6,493
"Communicable disease activities".....	15,236
"Hospitals and medical care".....	6,987
"General research and services, National Institutes of Health".....	1,967
"National Institute of Dental Research".....	2,459
"Environmental health activities".....	1,401
Excludes \$2,152 thousand for activities transferred in the estimates to:	
"Environmental health activities".....	63
"National health statistics".....	2,089

The amounts obligated in 1960 and 1961 are shown as comparative transfers.

Note.—Estimate for 1961 excludes \$170 thousand for activities transferred in the estimates to "Salaries and expenses, Office of the Surgeon General." The amount obligated in 1960 is shown in the schedule as a comparative transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants to States for general health.....	14,985	17,000	17,820
2. Grants for public health training.....	2,923	4,430	5,000
3. Accident prevention.....	1,535	2,904	3,368
4. Chronic diseases and aging.....	1,119	1,386	1,998
5. Communicable disease activities:			
(a) Communicable Disease Center.....	7,921	8,466	9,271
(b) Control of venereal diseases:			
(1) Grants to States.....	2,372	2,400	2,400
(2) Direct operations.....	2,970	3,415	3,415
(c) Control of tuberculosis:			
(1) Grants to States.....	3,993	4,000	4,000
(2) Direct operations.....	2,467	2,493	2,493
(d) Arctic Health Research Center.....	463	532	508
6. Community health practice and research.....	1,801	1,952	1,961
7. Dental services and resources.....	1,822	2,133	2,182
8. Nursing services and resources:			
(a) Training grants.....	5,892	6,525	6,525
(b) Direct operations.....	705	768	810
Total program costs.....	50,969	58,402	61,750
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—89	-----
Obligations incurred for costs of other years, net.....	168		-----
Total obligations.....	51,137	58,313	61,750
Financing:			
Comparative transfers (—) from other accounts.....	—26,814	—31,178	-----
Unobligated balance lapsing.....	174		-----
New obligational authority.....	24,497	27,135	61,750
New obligational authority:			
Appropriation.....	24,497	27,120	61,750
Transferred to "Salaries and expenses, Office of the Surgeon General" (42 U.S.C. 226).....		—142	-----
Appropriation (adjusted).....	24,497	26,978	61,750
Proposed supplemental due to pay increases.....		157	-----

1. *Grants to States for general health.*—Grants are made to assist States and local communities in providing and improving basic public health services such as public health nursing, laboratory services, communicable disease control and sanitation activities, and health services for the chronically ill and aged. An increase of \$820 thousand is requested primarily to strengthen radiological health programs.

2. *Grants for public health training.*—Grants and awards are made for approximately 625 traineeships for graduate or specialized public health training of professional health

personnel. Grants are also made to provide basic support for the public health training programs of the 11 schools of public health. In addition project grants will be made to schools of nursing, engineering, and public health to strengthen and expand graduate public health training in such schools. An increase of \$570 thousand is proposed for the project training grant program which would bring its level of support to the full \$2 million annual authorization.

3. *Accident prevention.*—Grants are made to individuals, organizations, and institutions to conduct research into the factors causing accidents. Approximately 37 research projects will be supported in 1962 as compared to 32 in 1961 and 24 in 1960. A comprehensive program of research to determine the extent and cause of accidents, and to develop sound techniques for their prevention and control will be continued. Through demonstrations and technical assistance, agencies ultimately responsible for accident prevention and control will be encouraged to adopt proven safety techniques.

4. *Chronic diseases and aging.*—Development and improvement of techniques and 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 older people will be continued, and assistance will be given in the application of proven techniques through technical assistance, demonstrations, and training. In 1962 particular emphasis will be given to the development of programs for care of the aged sick at home and in nursing homes, and periodic health appraisals.

5. *Communicable disease activities.*—This program provides for the investigation, prevention, and control of all communicable diseases through research, training, technical assistance to States, and emergency aid in the prevention of disease during epidemics and disasters.

(a) *Communicable Disease Center.*—Control techniques utilizing the scientific and technical skills of epidemiology, medicine, and microbiology are developed to provide aid to the State and local health departments in the prevention and control of infectious diseases. Important disease control programs include aseptic meningitis, poliomyelitis, viral encephalitis, disease vectors, staphylococcal infections, acute respiratory diseases, enteric diseases, and diseases of animals transmissible to man. The higher level in 1962 is for the intensification of studies in viral diseases and vector control; for field and laboratory investigations of polio and polioliike viruses.

The Communicable Disease Center's services to the States include epidemiologic services, laboratory diagnostic support, consultations, demonstrations, surveys, program reviews, training and audiovisual aids. Upon request of State health authorities, emergency assistance is provided to prevent and control disease outbreaks in disaster areas or during epidemics. The 1962 estimate provides increases to meet the problems associated with field use of oral polio vaccine, the development of a State laboratory improvement program, and the provision of necessary epidemic aid services and technical laboratory competence.

The following table shows selected measurable workload items:

Workload item	1959 actual	1960 actual	1961 estimate	1962 estimate
Laboratory specimens processed.....	54,382	53,910	54,000	54,500
Training program:				
Trainees.....	2,759	3,967	4,000	3,900
Courses.....	175	227	230	225
Audiovisual aids:				
Films loaned or sold.....	13,962	20,346	25,400	27,800
New productions completed.....	41	55	66	79

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

[ASSISTANCE TO STATES, GENERAL] COMMUNITY HEALTH ACTIVITIES—Continued

(b) *Control of venereal diseases.*—In 1960, as compared with 1959, infectious syphilis increased by 53% and for the third successive year there was an increase in reported cases of gonorrhea to a total of almost 250,000 cases annually.

(1) *Grants to States.*—Casefinding 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 casefinding projects.

(2) *Direct operations.*—Research and evaluation activities are directed toward maintenance of uniformly satisfactory nationwide serologic services; development and introduction of better 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. 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. Scientific information and educational media are disseminated through State agencies.

(c) *Control of tuberculosis*—(1) *Grants to States.*—Grants are made to assist States in planning and administering specific control measures, including training of professional workers, casefinding, and case follow-up. The estimates for 1962 will permit the grant program to operate at the 1961 level, thereby supporting the efforts of the Public Health Service to encourage the States to put additional emphasis and resources on their tuberculosis control activities. (2) *Direct operations.*—Studies are conducted in epidemiology, prevention, detection, diagnosis, and therapy of tuberculosis in cooperation with State and local health departments, medical schools, private investigators, and others. The results of the applied research are made available to the States by providing technical assistance through demonstrations, pilot projects, consultative services, operational studies, and training activities in casefinding, case followup, and other public health practices in the tuberculosis control field.

(d) *Arctic Health Research Center.*—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.

6. *Community health practice and research.*—Funds are included to conduct research, demonstrations, technical assistance and training directed toward more effective administration of State and local health services. The funds requested will support basic staff services in regional offices, research and development in public health practice, operational costs of training grant programs, health education services, and States relations activities.

7. *Dental services and resources.*—Funds are provided to (a) study the Nation's dental health and dental manpower supply, (b) conduct studies and demonstrations relating to the development and application of methods for pre-

venting and controlling dental diseases and disorders which can be applied on a community basis, (c) investigate and develop methods for extending the availability of dental care to the American people, and (d) provide professional and technical assistance relating to these activities. The increase in 1962 will be used primarily to support the development of dental programs for institutionalized and homebound patients.

8. *Nursing services and resources.*—The objectives of this program are the improvement of nursing practices of all kinds in hospitals, in the home, in health agencies, and in other allied medical care facilities. Problems related to the quality of nursing service and education, nurse supply, distribution of nursing services, and nurse-patient relationships are dealt with by means of a balanced program of intramural research, consultation based on this research, and by training grants.

(a) *Training grants.*—Grants are provided for traineeships to prepare an estimated 2,000 nurses to be teachers, supervisors and administrators, under section 307 of the Public Health Service Act. An estimated additional 2,000 nurses are engaged in short-term training.

(b) *Direct operations.*—By means of research consultation and application of research findings, professional guidance and leadership is provided to the States, local hospitals, and health services in improving their nursing practices.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$402 thousand; 1960, \$570 thousand; 1961, \$481 thousand; 1962, \$481 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	10,896	12,154	13,029
Positions other than permanent.....	1,065	1,380	1,686
Other personnel compensation.....	187	152	118
Total personnel compensation.....	12,148	13,685	14,833
12 Personnel benefits.....	1,488	1,664	1,795
21 Travel and transportation of persons.....	1,124	1,288	1,406
22 Transportation of things.....	219	231	261
23 Rent, communications, and utilities.....	315	335	344
24 Printing and reproduction.....	151	195	222
25 Other services.....	533	735	735
Research contracts.....	826	1,263	1,242
Payment to—			
“Bureau of State Services management fund”.....	2,024	2,447	2,618
“National Institutes of Health management fund”.....	14	20	25
26 Supplies and materials.....	931	941	1,001
31 Equipment.....	708	462	525
32 Lands and structures.....	1		
41 Grants, subsidies, and contributions.....	30,657	35,049	36,745
Subtotal.....	51,138	58,314	61,751
Deduct quarters and subsistence charges.....	—1	—1	—1
Total obligations.....	51,137	58,313	61,750
Personnel Summary			
Total number of permanent positions.....	2,020	2,149	2,282
Full-time equivalent of other positions.....	208	269	353
Average number of all employees.....	1,995	2,182	2,402
Number of employees at end of year.....	2,122	2,393	2,559
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,705	\$6,102	\$6,071

[GRANTS FOR] HOSPITAL CONSTRUCTION ACTIVITIES

[For grants and loans under parts C, D, and G,] To carry out the provisions of title [VI,] VI of the Act, as amended, [\$186,200,000] \$152,972,000, of which [\$150,000,000] \$115,000,000 shall be for grants or loans 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 shall be for grants or loans for facilities pursuant to part G, as follows: \$7,500,000 for diagnostic or treatment centers, [\$7,500,000] \$12,500,000 for hospitals for the chronically ill and impaired, [\$10,000,000] \$5,000,000 for rehabilitation facilities, and \$10,000,000 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, 1961.*)

Note.—Estimate for 1962 includes \$1,772 thousand for activities previously carried under "Salaries and expenses, hospital construction services." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Construction of hospitals, etc., under part C of the Public Health Service Act.....	125,016	151,941	134,500
(b) Construction of medical facilities under part G of the act:			
(1) Chronic disease hospitals.....	3,693	6,091	9,000
(2) Diagnostic or treatment centers.....	6,747	7,593	7,500
(3) Rehabilitation facilities.....	7,994	10,183	8,500
(4) Nursing homes.....	9,812	11,742	10,000
Total construction grants.....	153,262	187,550	169,500
2. Hospital and medical facilities research.....	1,190	1,200	1,200
3. Operations and technical services.....	1,604	1,736	1,772
Total program costs.....	156,056	190,486	172,472
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	9		
Total obligations.....	156,065	190,486	172,472
Financing:			
Comparative transfers from (—) other accounts.....	-1,612	-1,736	
Unobligated balance brought forward.....	-95,726	-127,051	-124,500
Recovery of prior year obligations.....	-13		
Unobligated balance carried forward.....	127,051	124,500	105,000
Unobligated balance lapsing.....	436		
New obligational authority (appropriation)	186,200	186,200	152,972

Federal funds are provided on a grant or loan basis to assist States and possessions, other public agencies, and nonprofit organizations in the construction of hospitals, rehabilitation facilities, diagnostic or treatment centers, nursing homes, public health centers, and related health facilities. Secondly, 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 for such projects. Third, State agencies are provided technical assistance in making inventories of their hospitals, public health centers, and other classes of facilities, in determining the type, size, and location of additional facilities required, and in developing coordinated programs, to meet the indicated needs; technical assistance is also provided to States and communities

regarding the planning, programing, and design of hospital and medical facilities. Fourth, 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.

Funds for construction purposes are allocated to the States and possessions on the basis of a formula which takes into account population and per capita income. Federal participation varies from one-third to two-thirds. Payments are made as construction progresses.

As of November 30, 1960, a total of 5,321 construction projects had been approved, of which 3,754 were completed and in operation, 1,324 under construction, and 243 in preconstruction stages. Upon completion, these projects will provide 223,575 hospital beds and 1,477 public health and other medical facilities. Of the approved projects 62% were for general hospitals, 3% for mental hospitals, 1% for tuberculosis hospitals, 3% for chronic disease hospitals, 5% for nursing homes, 16% for public health centers and State health department laboratories, 7% for diagnostic centers, and 3% for rehabilitation centers.

Funds requested for 1962 are estimated to be adequate to finance 561 hospital and medical facility projects which will include 22,200 beds. The general hospital beds in this total, together with those constructed without Hill-Burton program aid, will be sufficient to take care of the annual population increase, replace those which annually become obsolete and further reduce the general hospital bed deficit.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$13 thousand; 1960, \$22 thousand; 1961, \$22 thousand; 1962, \$22 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,376	1,520	1,559
Positions other than permanent.....	28	27	27
Other personnel compensation.....	10	6	
Total personnel compensation.....	1,414	1,553	1,586
12 Personnel benefits.....	83	100	100
21 Travel and transportation of persons.....	136	135	135
22 Transportation of things.....	10	6	6
23 Rent, communications, and utilities.....	15	14	14
24 Printing and reproduction.....	22	19	19
25 Other services.....	33	32	32
Payment to "Bureau of State Services management fund".....	52	56	59
26 Supplies and materials.....	13	11	11
31 Equipment.....	13	10	10
33 Investments and loans.....	2,000	450	500
41 Grants, subsidies, and contributions.....	152,274	188,100	170,000
Total obligations.....	156,065	190,486	172,472

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	194	196	196
Full-time equivalent of other positions.....	4	4	4
Average number of all employees.....	178	180	185
Number of employees at end of year.....	181	191	200
Average GS grade.....	8.8	9.2	9.2
Average GS salary.....	\$7,280	\$8,069	\$8,069

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ENVIRONMENTAL HEALTH 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 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, as amended (42 U.S.C. 1857-1857f), [and] July 9, 1956 (33 U.S.C. 466-466d, 466f-466k), and June 8, 1960 (74 Stat. 162), including \$2,700,000 for grants to States and \$300,000 for grants to interstate agencies under section 5 of the Federal Water Pollution Control Act; purchase of not to exceed eleven passenger motor vehicles for replacement only; and hire, maintenance, and operation of aircraft; [and purchase, erection, and maintenance of portable buildings; \$27,640,000] \$41,860,000, to remain available only until June 30, [1961] 1962. (Department of Health, Education, and Welfare Appropriation Act, 1961; authorizing legislation relating to water supply and pollution control will be proposed for 1962.)

Note.—Estimate for 1962 includes \$10,773 thousand for activities previously carried under the following titles (in thousands of dollars):

“Community health activities”	63
“General research and services, National Institutes of Health”	7,366
“National Cancer Institute”	316
“Mental health activities”	236
“National Heart Institute”	968
“National Institute of Dental Research”	90
“Arthritis and metabolic disease activities”	432
“Allergy and infectious disease activities”	1,085
“Neurology and blindness activities”	217

Excludes \$1,401 thousand for activities transferred in the estimates to “Community health activities.”
The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Air pollution control.....	5,164	7,003	8,100
2. Milk, food, interstate, and community sanitation.....	3,114	4,520	5,604
3. Occupational health.....	1,818	3,325	3,981
4. Radiological health.....	3,060	7,432	9,147
5. Water supply and pollution control:			
(a) Grants to State and interstate agencies.....	2,901	3,000	3,000
(b) Research and direct operations.....	6,013	8,976	12,028
Total program costs.....	22,070	34,256	41,860
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	373	557	-----
Total obligations.....	22,444	34,813	41,860
Financing:			
Comparative transfers from (–) other accounts.....	–6,891	–6,870	-----
Unobligated balance lapsing.....	167	-----	-----
New obligational authority.....	15,720	27,943	41,860
New obligational authority:			
Appropriation.....	15,720	27,640	41,860
Proposed supplemental due to pay increases.....	-----	303	-----

1. *Air pollution.*—This program serves to isolate and investigate the causes of air pollution, and to determine the effects of air pollution upon life and property. These problems are dealt with through a coordinated program of research, technical assistance to State and local agencies, and a training program designed to improve competencies necessary to cope with complex problems aggravated by the increasing number of pollutants being emitted into the atmosphere and by the increasing concentration of our population in urban areas. To tap

resources outside the Service, funds are allocated to other Government agencies and to private institutions through both research contracts and research and training grants. In 1962, primary emphasis will be placed on automotive exhaust research in compliance with Public Law 86-493, which requires the Surgeon General to submit a formal report to Congress on both findings and recommendations by June 1962.

Research grants are administered to complement intramural research as an integral part of the overall research effort. Approximately 98 grants will be supported in 1962 as compared to 79 in 1961 and 74 in 1960. In both 1961 and 1962 it is estimated that 6 graduate-level traineeships will be awarded to qualified applicants to increase individual competence; in addition, grants will be made to 10 institutions to improve existing curricula.

2. *Milk, food, interstate, and community sanitation.*—This program provides leadership and technical assistance to States, municipalities, and industry in a joint effort to insure that only safe milk, shellfish, and food supplies are served to the public at large and to the 2 million travelers per day carried on interstate conveyances. Increases in 1962 will allow for the expansion of general research and an expanded training program as a necessary corollary of research expansion. Research grants made to encourage investigators and institutions to undertake research in neglected areas will increase to 265 projects in 1962 as compared to 208 in 1961 and 126 in 1960.

3. *Occupational health.*—Research grants are made to individuals, organizations, and institutions for research studies of hazards and diseases related to the occupational environment. Approximately 88 research projects will be supported in 1962, as compared to 63 in 1961 and 42 in 1960.

Research on occupational hazards and diseases is conducted and assistance provided to Federal, State, and local agencies, and industry in preventing and controlling occupational hazards and diseases. In 1962 increased emphasis will be given to the problem of occupational health hazards of uranium miners.

4. *Radiological health.*—The Public Health Service has responsibility for conducting a national program for the prevention and control of radiological hazards to public health. The Service is conducting a program of research to assess the levels and effects of radiation exposure and, in cooperation with other health agencies at Federal, State, and local levels, to minimize such dangers. Such a program involves both basic and applied research on the sources, levels, and effects of radiation, the provision of technical information and assistance to State and local agencies in developing their own radiation protection programs, and a training program to provide the competencies needed in this new and expanding area of radiation protection and control. In 1962, major emphasis will be placed on the expansion of research activities designed to determine the levels of radiation exposure to man from various sources and the precise biological effects, somatic, and genetic, of this exposure.

Research grants are administered to complement intramural research as an integral part of the overall research effort. Approximately 73 research projects will be supported in 1962, as compared to 59 in 1961 and 38 in 1960. Grants are made to institutions to provide support of expanded programs for training of radiological health specialists. Training projects will be continued at the 1961 level of 10.

While intramural research constitutes most of the direct operations under this program, technical assistance is also

supplied, and training courses for State, local, and industry personnel are conducted.

5. *Water supply and pollution control.*—Research grants are made to organizations and institutions to conduct research into problems related to water supply and pollution control. Approximately 208 projects will be supported in 1962 as compared to 161 in 1961 and 139 in 1960.

Grants are made to States and interstate agencies to assist them in safeguarding public water supplies and protecting the quality of water resources. Authorization for this program will expire June 30, 1961, and legislation will be proposed to extend the program for an additional 5 years.

Through collection of basic data, research, demonstrations, and technical services, assistance is given to public and private agencies in safeguarding public water supplies and protecting the quality of water resources. In addition, training and consultative services are provided personnel from public agencies and from industries. This program also provides for enforcement against pollution of interstate waters, the development of integrated plans for water supply and water pollution control including administration of the program for the construction of waste treatment facilities. The increase will be used to expand and accelerate programs for the control of water pollution through research, technical services, basic data collection and analysis, and interstate enforcement activities, with major emphasis being placed on the comprehensive study of the Great Lakes and Illinois River Basins.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$222 thousand; 1960, \$595 thousand; 1961, \$1,152 thousand; 1962, \$1,152 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,009	9,795	12,347
Positions other than permanent.....	226	295	368
Other personnel compensation.....	36	37	20
Total personnel compensation.....	6,271	10,126	12,735
12 Personnel benefits.....	1,085	1,491	1,870
21 Travel and transportation of persons.....	906	1,323	1,650
22 Transportation of things.....	129	222	280
23 Rent, communications, and utilities.....	248	608	870
24 Printing and reproduction.....	115	192	249
25 Other services.....	313	778	963
Services of other agencies.....	147	289	504
Research contracts.....	1,228	2,634	2,999
Payment to—			
"Bureau of State Services management fund".....	1,203	1,752	2,001
"National Institutes of Health management fund".....	75	103	136
26 Supplies and materials.....	472	900	1,051
31 Equipment.....	949	2,314	2,033
41 Grants, subsidies, and contributions.....	9,303	12,081	14,519
Total obligations.....	22,444	34,813	41,860

Personnel Summary

Total number of permanent positions.....	1,091	1,740	2,176
Full-time equivalent of other positions.....	38	47	57
Average number of all employees.....	999	1,574	2,032
Number of employees at end of year.....	1,182	1,778	2,267
Average GS grade.....	7.2	7.2	7.1
Average GS salary.....	\$6,047	\$6,337	\$6,189
Average salary of ungraded positions.....	\$5,245	\$4,802	\$4,802

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]** \$50,000,000, to remain available only until June 30, **[1962: Provided, That allotments under such section 6 for the current fiscal year shall be made on the basis of \$50,000,000]** 1963.

[For an additional amount for "Grants for waste treatment works construction", fiscal years 1959-1960, \$1,816,000, to remain available until five days after the approval of this Act.] (Department of Health, Education, and Welfare Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants for construction (total costs—obligations) (object class 41).....	48,822	47,093	50,000
Financing:			
Unobligated balance brought forward.....	-9,099	-7,093	-5,000
Unobligated balance carried forward.....	7,093	5,000	5,000
New obligational authority (appropriation)	46,816	45,000	50,000

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 other jurisdictions 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 thousand, whichever is smaller, with at least 50% of the funds appropriated reserved for communities of 125,000 population or less. Approval and priority of construction projects are established by the State agency on the basis of financial and water pollution control needs. Projects must be included in a comprehensive program developed for water pollution control and be in conformity with the State water pollution control plan. In approving projects, the Surgeon General must consider the propriety of Federal aid in accordance with criteria approved by the President, the public benefits to be derived by the construction, the relation of the cost of the project to the public necessity, and the adequacy of provision by the applicant for proper operation and maintenance of the treatment works after completion of the construction.

WORKLOAD STATISTICS

	1958	1959	1960	1961
Construction starts.....	511	501	556	563
Plants finished.....	145	446	436	550
Grant offers.....	592	545	573	570
Plans and specifications.....	526	558	565	570
Payment inspections.....	510	1,200	1,400	1,500

[HOSPITALS AND] MEDICAL CARE AND FOREIGN QUARANTINE

For carrying out the functions of the Public Health Service, *not otherwise provided for*, under the Act of August 8, 1946 (5 U.S.C. 150) and the Act of August 5, 1954, as amended (42 U.S.C. 2001), including **[\$2,445,000]** \$2,422,000 to be available only for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (37 U.S.C., chap. 7), and under sections **[307,]** 321, 322, 324, 325, 326, 331, 332, 341, 343, 344, 361 to 369 (insofar as they relate to preventing the introduction of communicable diseases from foreign countries), 502, and 504 of the **[Public Health Service]** Act, section 810 of the Act of July 1, 1944, as amended (33 U.S.C. 763c), 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]** insurance of official motor vehicles in foreign countries when

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

[HOSPITALS AND] MEDICAL CARE AND FOREIGN QUARANTINE—Continued

required by law of such countries; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; hire of passenger motor vehicles and aircraft; purchase of not to exceed [seven] thirty-nine passenger motor vehicles, of which thirty-five shall be for replacement only; and purchase of firearms and ammunition; [\$55,213,000] \$106,912,000, of which \$1,200,000 shall be available only for payments to the State of Hawaii for care and treatment of persons afflicted with leprosy: *Provided*, That when the Public Health Service establishes or operates a health service program for any department or agency, payment for the estimated cost shall be made in advance for deposit to the credit of this appropriation: *Provided further*, That this appropriation shall be available for medical, surgical, and dental treatment and hospitalization of retired ships' officers and members of crews of Coast and Geodetic Survey vessels, and their dependents, and for payment therefor: *Provided further*, That the limitation under the head "Hospitals and medical care" in the Department of Health, Education, and Welfare Appropriation Act, 1959, on the amount available for payments for medical care of dependents and retired personnel under the Dependents' Medical Care Act (37 U.S.C., chap. 7), is increased from "\$1,866,000" to "\$1,880,000". (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$6,987 thousand for activities transferred in the estimates to "Community health activities," and includes \$57,580 thousand for activities transferred in the estimates from appropriations as follows (in thousands of dollars):
 "Foreign quarantine activities"..... 5,150
 "Indian health activities"..... 52,430
 The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Indian health activities.....	45,446	49,723	52,421
2. Foreign quarantine activities.....	4,405	4,921	5,122
3. Hospital and medical care activities:			
(a) Inpatient and outpatient care.....	45,610	49,541	50,077
(b) Dependents' medical care.....	2,267	2,445	2,422
(c) Coast Guard medical services.....	1,336	1,329	1,326
(d) Operation of health units.....	723	878	935
4. Payments to Hawaii.....	1,000	1,200	1,200
5. Administration.....	225	290	289
Total program costs.....	101,012	110,327	113,792
6. Unfunded adjustment to total program costs: Property or services transferred in (—) without charge, net.....	—800	—729	—729
Total program costs, funded.....	100,212	109,598	113,063
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	327	-----	-----
Total obligations.....	100,539	109,598	113,063
Financing:			
Comparative transfer, net.....	—43,677	—47,165	-----
Advances and reimbursements from—			
Other accounts.....	—4,846	—5,204	—5,292
Non-Federal sources (42 U.S.C. 221).....	—609	—877	—859
Unobligated balance lapsing.....	194	-----	-----
New obligational authority.....	51,600	56,352	106,912
New obligational authority:			
Appropriation.....	51,600	55,213	106,912
Proposed supplemental due to pay increases.....	-----	610	-----
Applied to contract authorization.....	-----	-----	—529
Contract authorization (new) (permanent).....	-----	529	529

1. *Indian health activities.*—This activity provides medical care and public health services for Indian and Alaska native beneficiaries.

The direct hospital program consists of 48 general hospitals and their outpatient clinics and 2 tuberculosis sanatoria. Field health services include programs in sanitation, health education, nutrition, maternal and child health, school health, communicable disease control, medical social service, public health nursing and oral health. These services are provided through health centers, clinics, and other field units. Where direct hospital and field health facilities are unavailable or inadequate, services are provided through contractual arrangements with non-Federal hospitals, private physicians and dentists, and State and local health agencies.

By 1962, direct hospital service will be discontinued at Shawnee, Okla.; White Earth, Minn.; Hoopa, Calif.; and Poplar, Mont. Care for beneficiaries involved will be provided through field health centers, contractual arrangements, or by other Public Health Service Indian hospitals. During 1961 hospitals will be opened at Gallup, N. Mex., and Sells, Ariz. New replacement hospitals will be opened in 1962 at Keams Canyon, Ariz.; Kotzebue, Alaska; and San Carlos, Ariz.

AVERAGE DAILY PATIENT LOAD AND OUTPATIENT VISITS

	1960 actual		1961 estimate		1962 estimate	
	Public Health Service Indian hospital	Contract	Public Health Service Indian hospital	Contract	Public Health Service Indian hospital	Contract
By type of patient:						
General patients.....	1,614	430	1,760	441	1,895	456
Tuberculosis patients.....	618	265	605	200	560	200
Neuropsychiatric patients.....	-----	215	-----	217	-----	225
Total.....	2,232	910	2,365	858	2,455	881
Outpatient visits..	659,410	---	689,000	---	710,000	---

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

2. *Foreign quarantine activities.*—Aliens and visa applicants are examined in order to exclude those who are physically or mentally defective and to prevent issuance of visas to persons medically excludable from the United States. Other inspections are made to prevent the introduction into United States of quarantinable and other communicable diseases. Basic workload data are:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Medical inspection of aliens.....	2,669,768	2,945,264	3,160,000	3,380,000
Medical certifications.....	42,576	41,603	44,600	47,700
Aircraft inspections.....	70,607	70,383	72,900	75,600
Vessel inspections.....	33,271	33,180	33,200	33,200
Aircraft treated.....	15,303	17,179	17,800	18,500
Vessels treated.....	520	402	400	400
Quarantine inspections of persons.....	5,264,354	5,186,789	5,400,000	5,600,000
Persons treated.....	611,320	580,106	600,000	620,000
Visa applicant medical examinations (abroad).....	155,068	173,402	176,000	179,000
Medical notifications (abroad)....	43,136	44,059	44,700	45,500

Note.—The figures for persons inspected for quarantine exclude "Local Crossers," persons who cross the U.S.-Mexican border daily or frequently.

3. *Hospital and medical care activities.*—A total of 15 hospitals and 136 outpatient facilities are operated to furnish medical and dental care to legal beneficiaries of the Service. The major beneficiary groups are American Seamen, Coast Guardsmen and their dependents, Bureau of Employees' Compensation cases, persons afflicted with

leprosy, and narcotic addicts. Among these, the largest single category is the American seamen who receive 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.

(a) *Inpatient and outpatient care.*—Under this activity are operated 12 general hospitals, 2 neuropsychiatric hospitals specializing 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

	1960 actual	1961 estimate	1962 estimate
Hospital patients, by type of hospital:			
General hospitals.....	2,641	2,684	2,690
Tuberculosis hospital.....	157	(¹)	(¹)
Neuropsychiatric hospitals.....	1,915	1,915	1,915
Leprosarium.....	281	280	280
Total.....	4,994	4,879	4,885
Hospital patients, by type of beneficiary:			
American seamen.....	2,019	1,894	1,894
Narcotic addicts.....	1,345	1,349	1,349
Patients with leprosy.....	284	282	282
Coast Guard.....	259	265	278
Bureau of Employees Compensation.....	229	209	211
Veterans.....	247	245	245
Uniformed service dependents.....	235	250	248
All other.....	376	385	378
Total.....	4,994	4,879	4,885
Hospital outpatient visits.....	627,738	634,000	637,000

¹ Hospital closed June 15, 1960.

Twenty-five full-time outpatient clinics and 111 outpatient offices serviced 546,999 visits in 1960 and 547,000 are estimated for 1961 and 1962. Care of patients in contract hospitals is also financed hereunder.

(b) *Dependents' medical care.*—This activity provides for contract care in facilities other than those operated by the Public Health Service for dependents of Public Health Service beneficiary members of the uniformed services.

(c) *Coast Guard medical services.*—Medical services are provided for Coast Guard personnel at shore stations and on vessels.

(d) *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. *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 271 in 1962, compared with 278 in 1960 and 276 in 1961.

5. *Administration.*—This activity finances the immediate Office of the Bureau Chief.

6. *Unfunded adjustments.*—These are acquisitions of food, supplies and equipment secured without reimbursement.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order: Stores (goods unconsumed by projects).....	521	566	566	566
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	1,975	2,257	2,257	2,257
Total selected resources at end of year.....	2,496	2,823	2,823	2,823
Selected resources at start of year (—).....	—2,496	—2,823	—2,823	—2,823

Obligations incurred for cost of other years net..... 327

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	57,649	64,372	66,762
Positions other than permanent.....	981	1,139	1,129
Other personnel compensation.....	3,056	3,025	2,918
Total personnel compensation.....	61,686	68,536	70,809
12 Personnel benefits.....	5,936	6,816	7,013
21 Travel and transportation of persons.....	2,067	2,139	2,188
22 Transportation of things.....	1,271	1,239	1,266
23 Rent, communications, and utilities.....	2,405	2,361	2,337
24 Printing and reproduction.....	178	185	185
25 Other services.....	13,696	13,964	14,596
Services of other agencies.....	2,038	2,313	2,233
26 Supplies and materials.....	9,828	10,130	10,589
31 Equipment.....	1,805	2,212	2,343
41 Grants, subsidies, and contributions.....	1,009	1,209	1,209
42 Insurance claims and indemnities.....	15		
Subtotal.....	101,934	111,104	114,768
Deduct quarters and subsistence charges.....	1,395	1,506	1,705
Total obligations.....	100,539	109,598	113,063

Personnel Summary

Total number of permanent positions.....	12,513	12,832	12,989
Full-time equivalent of other positions.....	224	252	252
Average number of all employees.....	11,548	12,183	12,551
Number of employees at end of year.....	12,106	12,789	12,966
Average GS grade.....	5.1	5.2	5.2
Average GS salary.....	\$4,757	\$5,152	\$5,158
Average ungraded salary.....	\$4,524	\$4,812	\$4,745

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;] purchase of trailers; and provision of domestic and community sanitation facilities for Indians, as authorized by section 7 of the act of August 5, 1954 (42 U.S.C. 2004a); [\$9,714,000] \$6,616,000, to remain available until expended. (42 U.S.C. 2001, 2004a; 25 U.S.C. 13, 465, 42 U.S.C. 248; Department of Health, Education, and Welfare Appropriation Act, 1961.)

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION OF INDIAN HEALTH FACILITIES—Continued

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Hospitals and clinics.....	19,659	2,999	6,010	5,613	1,400	1,147	238	491	3,399
2. Personnel quarters.....	12,840	3,416	671	3,897	3,195	2,356	1,661	2,500	
3. Alterations.....	8,532	1,692	2,326	1,752	1,449	603	454	1,300	859
4. Other plant facilities.....	456	397	44	15					
5. Community hospitals serving Indians and non-Indians.....	2,575	720	694	777	384	59		325	
6. Construction of Indian sanitation facilities.....	4,750		147	1,963	2,140	640	500	2,000	
Total program costs.....	48,812	9,224	9,892	14,017	8,568	4,805	2,853	6,616	4,258
7. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....			—5,528	—1,319	—1,540				
Total obligations.....			4,364	12,698	7,028				
Financing:									
Unobligated balance brought forward.....			—3,207	—3,790	—806				
Unobligated balance carried forward.....			3,790	806	394				
New obligational authority.....			4,946	9,714	6,616				
New obligational authority:									
Appropriation.....			4,787	9,714	6,616				
Reappropriation.....			159						

1. *Hospitals and clinics.*—Planning funds are included for the construction of a replacement general hospital for the Standing Rock Service Area in North Dakota.

Funds are included for construction of seven health stations and one health center replacement in 1962. Planning funds are also included for one health center.

2. *Personnel quarters.*—Construction of 81 permanent units is planned in 1962.

3. *Alterations.*—Funds are included for construction at 18 locations and planning of projects at 2 sites.

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.*—Funds are requested to enable the Public Health Service to participate in the construction of needed community hospital facilities for joint use by Indians and non-Indians.

6. *Construction of Indian sanitation facilities.*—Pursuant to Public Law 86-121, funds are included for 34 sanitation projects in continental United States and Alaska.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$10,846 thousand; 1960, \$5,318 thousand; 1961, \$3,999 thousand; 1962, \$2,459 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PUBLIC HEALTH SERVICE			
11 Personnel compensation: Positions other than permanent.....	15	105	105
12 Personnel benefits.....	1	3	4
21 Travel and transportation of persons.....	2	12	12
22 Transportation of things.....	13	25	25
23 Rent, communications, and utilities.....		1	1
25 Other services.....	183	925	450
26 Supplies and materials.....	82	425	210
31 Equipment.....	214	3,793	2,200
41 Grants, subsidies, and contributions.....	694	777	384
Total, Public Health Service.....	1,204	6,066	3,391
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
11 Personnel compensation: Positions other than permanent.....	238	252	251
12 Personnel benefits.....	15	17	17
21 Travel and transportation of persons.....	44	46	46
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	6	7	7
24 Printing and reproduction.....	9	10	12
25 Other services.....	17	19	21
26 Supplies and materials.....	3	4	5

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO DEPARTMENT OF THE INTERIOR—Continued			
31 Equipment.....	3	3	4
32 Lands and structures.....	2,824	6,273	3,273
Total, Department of the Interior.....	3,160	6,632	3,637
Total obligations.....	4,364	12,698	7,028

Personnel Summary			
PUBLIC HEALTH SERVICE			
	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	3	20	20
Number of employees at end of year.....	3	20	20
ALLOCATION TO DEPARTMENT OF THE INTERIOR			
Average number of all employees.....	35	35	35
Number of employees at end of year.....	35	35	35

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; [\$83,900,000] \$87,404,000: *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 ten passenger motor vehicles 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 appropriations made to the Public Health Service in this Act, and available for research or training projects, may be expended pursuant to contracts made on a cost or other basis for supplies and services, 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. 262, and 263; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$9,333 thousand for activities transferred in the estimates as follows (in thousands of dollars):
 "Community health activities"..... 1,967
 "Environmental health activities"..... 7,366
 The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	18,263	34,765	45,643
(b) Fellowships.....	5,306	10,100	10,100
(c) Training.....	13,038	27,000	26,500
Total, grants.....	36,607	71,865	82,243
2. Direct operations:			
(a) Biologics standards.....	2,464	3,095	3,025
(b) Review and approval of grants.....	846	1,440	1,665
(c) Administration.....	196	426	471
Total, direct operations.....	3,506	4,961	5,161
Total program costs.....	40,113	76,826	87,404

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—131	-----
Obligations incurred for costs of other years, net.....	254	-----	-----
Total obligations.....	40,367	76,695	87,404
Financing:			
Comparative transfers to other accounts.....	5,423	7,205	-----
Unobligated balance lapsing.....	205	-----	-----
New obligational authority (appropriation).....	45,994	83,900	87,404

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, and the 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 of dollars):

	1960 actual	1961 estimate	1962 estimate
Grants:			
Research.....	192,028	277,625	296,758
Fellowships.....	14,856	22,000	22,000
Training.....	74,673	110,000	96,242
State control programs.....	10,006	13,000	13,000
Community demonstration projects....	1,347	1,500	2,000
Total, grants.....	292,910	424,125	430,000
Direct operations:			
Research.....	49,051	58,215	61,863
Review and approval of grants.....	5,971	8,211	8,646
Professional and technical assistance....	8,593	11,159	11,575
Contracts.....	19,795	21,538	21,538
Other.....	4,997	6,008	6,378
Total, direct operations.....	88,407	105,131	110,000
Grand total.....	381,317	529,256	540,000
Less nonrecurring research and training ..	-----	21,658	-----
Net program operations.....	381,317	507,598	540,000

The 1961 estimate for grants includes \$21,658 thousand for nonrecurring costs. Included in these nonrecurring costs are \$5 million for cancer research facilities and \$500 thousand for construction at the Gorgas Memorial Laboratory; both shown in the research activity; and \$16,158 thousand for advance funding under the training activity.

The above figures exclude amounts for direct construction and research facilities construction grants. They include grants for State control programs for cancer, heart, and mental health which are administered by the Bureau of State Services.

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

GENERAL RESEARCH AND SERVICES, NATIONAL INSTITUTES OF HEALTH—Continued

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.

Research grants.—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.

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 pre-doctoral, postdoctoral, special, senior, and foreign 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.

Community demonstration projects.—Grants are awarded on a merit basis to professional and voluntary agencies, as well as State and local health departments and community hospitals, to apply more rapidly proven cancer control measures.

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 research grants, fellowships, and training grants are reviewed for merit by panels of 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 appropriation are described below.

1. *Grants*—(a) *Research.*—Funds for 1962 will support approximately 1,644 grants in 1962, as compared to 1,425 in 1961, and 1,014 in 1960.

(b) *Fellowships.*—Approximately 2,675 fellowships will again be supported in 1962 as in 1961 and 1,073 in 1960.

(c) *Training.*—Approximately 525 graduate research training grants will be in effect in 1961 and 1962 for the support of about 3,300 trainees in the areas of basic biological, medical and health-related sciences. This compares to 288 grants for the support of 2,100 trainees in 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.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$83 thousand; 1960, \$337 thousand; 1961, \$206 thousand; 1962, \$206 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PUBLIC HEALTH SERVICE			
11 Personnel compensation:			
Permanent positions.....	1,444	2,023	2,117
Positions other than permanent.....	29	34	40
Other personnel compensation.....	69	74	68
Total personnel compensation.....	1,542	2,131	2,225
12 Personnel benefits.....	86	138	144
21 Travel and transportation of persons.....	83	121	168
22 Transportation of things.....	15	17	21
23 Rent, communications, and utilities.....	31	37	39
24 Printing and reproduction.....	16	60	60
25 Other services.....	97	314	289
Payment to "National Institutes of Health management fund".....	990	1,162	1,287
26 Supplies and materials.....	611	766	844
31 Equipment.....	297	86	86
41 Grants, subsidies, and contributions.....	36,555	71,865	82,243
Subtotal.....	40,323	76,697	87,406
Deduct quarters and subsistence charges.....	2	2	2
Total, Public Health Service.....	40,321	76,695	87,404
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
31 Equipment.....	46		
Total obligations.....	40,367	76,695	87,404

Personnel Summary

Total number of permanent positions.....	287	362	369
Full-time equivalent of other positions.....	6	6	6
Average number of all employees.....	256	330	334
Number of employees at end of year.....	286	378	378
Average GS grade.....	5.8	6.5	6.5
Average GS salary.....	\$5,111	\$5,861	\$5,851

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 otherwise carry out the provisions of title IV, part A, of the Act; [\$111,000,000, of which \$700,000, to remain available until December 31, 1961, shall be available for plans and specifications for a research facility for the National Cancer Institute] \$109,292,000: Provided, That amounts appropriated under this head in the Department of Health, Education, and Welfare Appropriation Act, 1961, for plans and specifications for a research facility for the National Cancer Institute shall remain available until June 30, 1962. (42 U.S.C. 281-286; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$316 thousand for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	34,617	51,522	50,411
(b) Fellowships.....	2,205	2,400	2,400
(c) Training.....	6,855	7,055	7,055
(d) State control programs.....	2,190	3,500	3,500
(e) Community demonstration projects.....	1,347	1,500	2,000
Total, grants.....	47,214	65,977	65,366
2. Direct operations:			
(a) Research.....	11,454	14,167	14,347
(b) Review and approval of grants.....	910	1,233	1,247
(c) Professional and technical assistance.....	4,685	6,054	6,174
(d) Chemotherapy contracts.....	19,735	21,643	21,538
(e) Administration.....	415	552	620
Total, direct operations.....	37,199	43,649	43,926
Total program costs.....	84,414	109,626	109,292
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-43	
Obligations incurred for costs of other years, net.....	434		
Total obligations.....	84,848	109,583	109,292
Financing:			
Comparative transfers to other accounts.....	183	220	
Unobligated balance lapsing.....	6,227	1,197	
New obligational authority (appropriation).....	91,257	111,000	109,292

1. Grants—(a) *Research*.—Approximately 2,168 grants will be supported in 1962 as compared to 2,017 in 1961, and 1,799 in 1960.

(b) *Fellowships*.—Approximately 301 full-time fellowships will be supported in 1961 and 316 in 1962, compared to 431 in 1960.

(c) *Training*.—Grants are awarded to accredited schools for the improvement of instruction in the curriculum; clinical traineeships are awarded to individuals for post-graduate training in such fields as surgery, pathology, radiobiology, and internal medicine; and grants are awarded to research training centers for individual traineeships. The following table summarizes these grants:

	1960 actual	1961 estimate	1962 estimate
Improvement of instruction.....	138	138	138
Clinical traineeships.....	236	240	240
Technician traineeships.....	85	---	---
Research training centers.....	59	61	61

(d) *State control programs*.—Funds are provided to States 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.

(e) *Community demonstration projects*.—Grants are awarded to professional and voluntary agencies, as well as State and local health departments and community hospitals, to apply more rapidly proven cancer control measures.

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.

(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.

3. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$562 thousand; 1960, \$996 thousand; 1961, \$953 thousand; 1962, \$953 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PUBLIC HEALTH SERVICE			
11 Personnel compensation:			
Permanent positions.....	6,696	8,480	8,525
Positions other than permanent.....	354	332	332
Other personnel compensation.....	135	103	103
Total personnel compensation.....	7,185	8,915	8,960
12 Personnel benefits.....	431	523	540
21 Travel and transportation of persons.....	356	412	420
22 Transportation of things.....	56	54	50
23 Rent, communications, and utilities.....	147	170	170
24 Printing and reproduction.....	166	213	220
25 Other services.....	21,089	24,039	23,449
Payment to—			
"National Institutes of Health management fund".....	6,092	6,828	7,625
"Bureau of State Services management fund".....	27	27	41
26 Supplies and materials.....	1,205	1,261	1,303
31 Equipment.....	326	417	401
41 Grants, subsidies and contributions.....	47,112	65,977	65,366
Subtotal.....	84,192	108,835	108,545
Deduct quarters and subsistence charges.....	20	20	20
Total, Public Health Service.....	84,172	108,815	108,525
ALLOCATION TO VETERANS ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	391	504	504
Positions other than permanent.....	90	70	70
Other personnel compensation.....	4	3	3
Total personnel compensation.....	485	577	577
12 Personnel benefits.....	31	36	36
21 Travel and transportation of persons.....	58	42	42
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	1	1	1
25 Other services.....	15	12	12
26 Supplies and materials.....	21	23	23

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL CANCER INSTITUTE—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO VETERANS ADMINISTRATION—Continued			
31 Equipment.....	65	75	75
Total, Veterans Administration.....	676	768	768
Total obligations.....	84,848	109,583	109,292

Personnel Summary

PUBLIC HEALTH SERVICE			
Total number of permanent positions.....	1,261	1,351	1,365
Full-time equivalent of other positions.....	59	51	51
Average number of all employees.....	1,169	1,235	1,356
Number of employees at end of year.....	1,255	1,304	1,315
Average GS grade.....	6.0	6.3	6.3
Average GS salary.....	\$5,315	\$5,850	\$5,834
ALLOCATION TO VETERANS ADMINISTRATION			
Total number of permanent positions.....	85	93	93
Full-time equivalent of other positions.....	10	8	8
Average number of all employees.....	85	90	90
Number of employees at end of year.....	90	102	109
Average GS grade.....	6.0	5.7	5.6
Average GS salary.....	\$5,405	\$5,571	\$5,439

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, **[\$100,900,000]** \$82,922,000. (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$236 thousand for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	23,228	31,308	31,695
(b) Fellowships.....	1,996	2,390	2,390
(c) Training.....	26,197	39,470	28,356
(d) State control programs.....	4,911	6,000	6,000
Total, grants.....	56,332	79,168	68,441
2. Direct operations:			
(a) Research.....	7,206	8,355	9,322
(b) Review and approval of grants.....	1,217	1,541	1,566
(c) Training activities.....	101	99	100
(d) Professional and technical assistance.....	2,062	2,743	2,779
(e) Administration.....	491	649	714
Total, direct operations.....	11,076	13,387	14,481
Total program costs.....	67,409	92,555	82,922
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			
	61	70	
Total obligations.....	67,470	92,624	82,922

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	72	158	
Unobligated balance lapsing.....	547	2,979	
New obligational authority.....	68,090	95,761	82,922
New obligational authority:			
Appropriation.....	68,090	100,900	82,922
Transferred to "Construction of mental health-neurology research facility" (42 U.S.C. 292).....		-5,139	
Appropriation (adjusted).....	68,090	95,761	82,922

1. *Grants*—(a) *Research*.—Funds for 1962 will support approximately 1,366 grants compared to 1,350 in 1961 and 1,066 in 1960.

(b) *Fellowships*.—In 1960, 482 fellowships were provided and it is estimated that 480 can be provided in 1961 and 1962.

(c) *Training*.—In 1961 and 1962, 909 training grants can be awarded. These include funds for about 3,212 traineeships. In 1960, 736 grants provided funds for 2,548 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*.—Support is given for in-service training of qualified staff members in subjects related to the field of mental health.

(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.

3. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$380 thousand; 1960, \$441 thousand; 1961, \$511 thousand; 1962, \$511 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
PUBLIC HEALTH SERVICE			
11 Personnel compensation:			
Permanent positions.....	4,201	5,335	5,605
Positions other than permanent.....	686	534	534
Other personnel compensation.....	82	81	62
Total personnel compensation.....	4,969	5,950	6,201
12 Personnel benefits.....	257	298	315

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
PUBLIC HEALTH SERVICE—Continued			
21 Travel and transportation of persons.....	391	415	428
22 Transportation of things.....	27	39	37
23 Rent, communications, and utilities.....	118	120	119
24 Printing and reproduction.....	36	43	43
25 Other services.....	1,052	1,477	1,751
Payment to "National Institutes of Health management fund".....	3,500	4,152	4,593
26 Supplies and materials.....	403	448	462
31 Equipment.....	366	414	432
41 Grants, subsidies, and contributions.....	56,272	79,168	68,441
Total, Public Health Service.....	67,392	92,524	82,822
ALLOCATION TO SAINT ELIZABETHS HOSPITAL			
11 Personnel compensation:			
Permanent positions.....	64	81	81
Other personnel compensation.....	4	5	5
Total personnel compensation.....	68	86	86
12 Personnel benefits.....	4	4	4
23 Rent, communications, and utilities.....	5	10	10
26 Supplies and materials.....	1		
Total, Saint Elizabeths Hospital.....	78	100	100
Total obligations.....	67,470	92,624	82,922

Personnel Summary

PUBLIC HEALTH SERVICE			
Total number of permanent positions.....	635	836	870
Full-time equivalent of other positions.....	101	73	73
Average number of all employees.....	707	785	822
Number of employees at end of year.....	786	919	950
Average GS grade.....	7.3	7.6	7.6
Average GS salary.....	\$6,063	\$6,741	\$6,742
ALLOCATION TO SAINT ELIZABETHS HOSPITAL			
Total number of permanent positions.....	15	17	17
Average number of all employees.....	14	16	16
Number of employees at end of year.....	14	17	17
Average GS grade.....	4.1	4.8	4.8
Average GS salary.....	\$4,154	\$4,807	\$4,807
Average salary of ungraded positions.....	\$5,188	\$5,358	\$5,358

NATIONAL HEART INSTITUTE

For expenses necessary to carry out the purposes of the National Heart Act, ["\$86,900,000"] \$91,357,000. (42 U.S.C. 287; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$968 thousand for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	35,907	55,073	61,420
(b) Fellowships.....	2,662	3,100	3,100
(c) Training.....	8,676	11,970	9,604
(d) State control programs.....	2,905	3,500	3,500
Total, grants.....	50,150	73,643	77,624

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Direct operations:			
(a) Research.....	7,780	8,639	9,322
(b) Review and approval of grants.....	990	1,247	1,314
(c) Training activities.....	154	194	186
(d) Professional and technical assistance.....	1,493	2,313	2,622
(e) Administration.....	237	261	289
Total, direct operations.....	10,654	12,654	13,733
Total program costs.....	60,804	86,297	91,357
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—101	
Obligations incurred for costs of other years, net.....	265		
Total obligations.....	61,068	86,196	91,357
Financing:			
Comparative transfers to other accounts.....	497	704	
Unobligated balance lapsing.....	672		
New obligational authority (appropriation).....	62,237	86,900	91,357

1. *Grants—(a) Research projects.*—These grants are made to medical schools, other institutions, and to individuals for research projects. Approximately 2,515 research projects will be supported in 1962, as compared to 1,868 in 1960, and 2,412 in 1961.

(b) *Research fellowships.*—Postdoctoral, special, and senior fellowships are awarded to individuals to increase the number of research workers in the area of cardiovascular diseases. Approximately 434 awards will be supported in 1961 and 1962, as compared with 534 in 1960.

(c) *Training.*—These grants in 1961 and 1962 will provide assistance to 103 schools of medicine, osteopathy, and public health for support of undergraduate training. Funds will also provide for 238 grants for graduate research and clinical training including 714 traineeships. In 1960 comparable schools, grants, and traineeships were 103, 202, and 606, respectively.

(d) *State control programs.*—Grants are made to States and Territories, distributed on a formula basis, for improving State and local programs in prevention, education, community services, and operational research concerning cardiovascular diseases.

2. *Direct operations—(a) Research.*—Research 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.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$455 thousand; 1960, \$720 thousand; 1961, \$619 thousand; 1962, \$619 thousand.

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL HEART INSTITUTE—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,979	5,108	5,353
Positions other than permanent.....	70	75	91
Other personnel compensation.....	49	45	30
Total personnel compensation.....	4,098	5,228	5,474
12 Personnel benefits.....	537	633	685
21 Travel and transportation of persons.....	312	379	405
22 Transportation of things.....	61	75	84
23 Rent, communications, and utilities.....	83	81	82
24 Printing and reproduction.....	23	32	34
25 Other services.....	846	1,014	1,346
Payment to—			
“National Institutes of Health management fund”.....	3,790	4,163	4,633
“Bureau of State Services management fund”.....	64	63	83
26 Supplies and materials.....	656	655	664
31 Equipment.....	527	230	243
41 Grants, subsidies, and contributions.....	50,071	73,643	77,624
Total obligations.....	61,068	86,196	91,357

Personnel Summary

Total number of permanent positions.....	771	837	887
Full-time equivalent of other positions.....	15	17	21
Average number of all employees.....	637	742	787
Number of employees at end of year.....	743	807	901
Average GS grade.....	6.9	7.1	7.2
Average GS salary.....	\$5,801	\$6,358	\$6,405

[DENTAL HEALTH ACTIVITIES] NATIONAL INSTITUTE OF DENTAL RESEARCH

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, **[\$15,500,000] \$13,035,000.** (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$2,549 thousand for activities transferred in the estimates as follows (in thousands of dollars):
 “Community health activities”..... 2,459
 “Environmental health activities”..... 90
 The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	4,418	5,725	5,938
(b) Fellowships.....	650	760	760
(c) Training.....	1,100	2,965	3,291
Total, grants.....	6,168	9,450	9,989
2. Direct operations:			
(a) Research.....	1,524	2,695	2,628
(b) Review and approval of grants.....	197	260	277
(c) Administration.....	95	127	141
Total, direct operations.....	1,816	3,082	3,046
Total program costs.....	7,984	12,532	13,035

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	14	160	-----
Total obligations.....	7,998	12,692	13,035
Financing:			
Comparative transfers to other accounts.....	1,970	2,150	-----
Unobligated balance lapsing.....	51	658	-----
New obligational authority (appropriation)	10,019	15,500	13,035

1. *Grants*—(a) *Research*.—Approximately 420 grants will be supported in 1962 as compared to 405 grants in 1961 and 330 grants in 1960.

(b) *Fellowships*.—An estimated 462 fellowships including 404 part-time dental and public health students, will be supported in 1961 and 1962, as compared to 449 fellowships, including 395 part-time, in 1960.

(c) *Training*.—Approximately 51 grants will be awarded in 1962 to schools to train approximately 222 individuals for academic teaching and research careers in the various fields of dental science, as compared to 42 grants for 172 individuals in 1961 and 38 grants for 125 individuals in 1960. In addition, approximately 47 grants will be awarded in 1962 to dental schools to train students in the use of chairside assistants as compared to 40 grants in 1961.

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.

3. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$19 thousand; 1960, \$33 thousand; 1961, \$193 thousand; 1962, \$193 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	936	1,234	1,546
Positions other than permanent.....	17	18	57
Other personnel compensation.....	10	8	6
Total personnel compensation.....	963	1,260	1,609
12 Personnel benefits.....	44	68	86
21 Travel and transportation of persons.....	53	80	88
22 Transportation of things.....	4	10	12
23 Rent, communications, and utilities.....	21	32	35
24 Printing and reproduction.....	4	2	4
25 Other services.....	36	58	69
Payment to “National Institutes of Health management fund”.....	543	721	826
26 Supplies and materials.....	100	154	237
31 Equipment.....	78	862	85
41 Grants, subsidies, and contributions.....	6,157	9,450	9,589
Subtotal.....	8,003	12,697	13,040
Deduct quarters and subsistence charges.....	5	5	5
Total obligations.....	7,998	12,692	13,035

Personnel Summary

Total number of permanent positions.....	151	211	237
Full-time equivalent of other positions.....	3	2	8

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	142	168	217
Number of employees at end of year.....	163	202	233
Average GS grade.....	6.4	7.0	7.0
Average GS salary.....	\$5,348	\$6,064	\$6,069

ARTHRITIS AND METABOLIC DISEASE ACTIVITIES

For expenses necessary to carry out the purposes of the Act relating to arthritis, rheumatism, and metabolic diseases, **[\$61,200,000]** \$62,239,000. (42 U.S.C. 289 a-c; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$432 thousand for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	31,022	40,859	42,425
(b) Fellowships.....	436	870	870
(c) Training.....	6,298	8,300	8,300
Total, grants.....	37,756	50,029	51,595
2. Direct operations:			
(a) Research.....	7,287	8,990	9,465
(b) Review and approval of grants.....	628	880	930
(c) Administration.....	186	220	249
Total, direct operations.....	8,101	10,090	10,644
Total program costs.....	45,857	60,119	62,239
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			
	104	61	-----
Total obligations.....	45,962	60,180	62,239
Financing:			
Comparative transfers to other accounts.....	220	345	-----
Unobligated balance lapsing.....	680	674	-----
New obligational authority (appropriation)	46,862	61,200	62,239

1. *Grants*—(a) *Research*.—Approximately 2,456 grants will be supported in 1962 as compared with an estimated 2,435 grants in 1961, and 1,910 in 1960.

(b) *Fellowships*.—Eighty-four fellowships are estimated for 1962, compared with 84 in 1961, and 66 in 1960.

(c) *Training*.—During 1961 and 1962 it is estimated that 267 grants will be awarded to accredited schools, for the improvement of instruction, and 80 traineeships will be provided to individuals for specialized postgraduate training. Total grants provided in 1960 were 211, and 65 traineeships were awarded.

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. International civilian nutrition studies are conducted throughout the world in collaboration with the Interdepartmental Committee on Nutrition for National Defense, and international programs in epidemiology, biometry, and geographic medicine and genetics provide

epidemiologic and biomathematic consultation and assistance to the intramural and extramural programs of this Institute.

3. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$143 thousand; 1960, \$247 thousand; 1961, \$308 thousand; 1962, \$308 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,445	3,923	4,019
Positions other than permanent.....	25	40	41
Other personnel compensation.....	72	57	41
Total personnel compensation.....	3,542	4,020	4,101
12 Personnel benefits.....	183	226	231
21 Travel and transportation of persons.....	149	213	238
22 Transportation of things.....	21	25	32
23 Rent, communications, and utilities.....	44	49	54
24 Printing and reproduction.....	9	9	12
25 Other services.....	458	934	733
Payment to "National Institutes of Health management fund".....	3,013	3,620	4,081
26 Supplies and materials.....	547	616	653
31 Equipment.....	316	456	526
41 Grants, subsidies, and contributions.....	37,696	50,029	51,595
Subtotal.....	45,979	60,197	62,256
Deduct quarters and subsistence charges.....	17	17	17
Total obligations.....	45,962	60,180	62,239

Personnel Summary

Total number of permanent positions.....	499	559	578
Full-time equivalent of other positions.....	6	8	8
Average number of all employees.....	476	482	526
Number of employees at end of year.....	487	531	566
Average GS grade.....	7.8	8.2	8.2
Average GS salary.....	\$6,512	\$7,062	\$7,074

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, **[\$44,000,000]** \$44,285,000, of which **[\$750,000]** \$250,000 shall be available for payment to the Gorgas Memorial Institute for maintenance and operation of the Gorgas Memorial Laboratory [and for construction and equipment of facilities]. (42 U.S.C. 289a; 22 U.S.C. 278; Department of Health, Education, and Welfare Act, 1961.)

Note.—Estimate for 1962 excludes \$1,085 thousand for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research.....	20,992	27,550	28,074
(b) Fellowships.....	1,065	1,400	1,400
(c) Training.....	3,621	4,790	5,290
Total, grants.....	25,677	33,740	34,764
2. Direct operations:			
(a) Research.....	6,894	8,427	8,698
(b) Review and approval of grants.....	393	558	596
(c) Administration.....	188	208	227
Total, direct operations.....	7,475	9,193	9,521
Total program costs.....	33,153	42,933	44,285

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

ALLERGY AND INFECTIOUS DISEASE ACTIVITIES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—498	
Obligations incurred for costs of other years, net	300		
Total obligations	33,453	42,436	44,285
Financing:			
Comparative transfers to other accounts	572	850	
Unobligated balance lapsing	29	714	
New obligational authority (appropriation)	34,054	44,000	44,285

1. *Grants*—(a) *Research*.—Funds for 1962 will support approximately 1,764 grants, while funds in 1961 will support approximately 1,755 grants, compared to 1,550 in 1960.

(b) *Fellowships*.—Estimated 229 awards will be made in 1961 and 1962 for postdoctoral, special, and career fellowships. This compares to 235 awards in 1960.

(c) *Training*.—Funds for 1962 will provide approximately 169 grants to train individuals in allergy and immunology, parasitology and tropical medicine, and mycology and rickettsiology. Funds in 1961 will support approximately 155 grants, compared to 85 grants in 1960.

2. *Direct operations*—(a) *Research*.—Laboratory, field and clinical research is conducted in the broad fields of allergic, infectious, and parasitic diseases. The increase in 1962 will provide for studies in biometrics research, cell biology, parasitic diseases, clinical investigations, and clinical and basic immunology.

3. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$286 thousand; 1960, \$586 thousand; 1961, \$88 thousand; and 1962, \$88 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions	3,237	3,767	4,056
Positions other than permanent	28	38	45
Other personnel compensation	98	89	81
Total personnel compensation	3,364	3,894	4,182
12 Personnel benefits	181	218	233
21 Travel and transportation of persons	110	143	165
22 Transportation of things	51	62	75
23 Rent, communications, and utilities	72	82	97
24 Printing and reproduction	4	7	10
25 Other services:			
Payment to "National Institutes of Health management fund"	2,424	2,858	3,204
Supplies and materials	688	745	778
31 Equipment	99	262	322
41 Grants, subsidies, and contributions	25,632	33,740	34,764
Subtotal	33,463	42,446	44,295
Deduct quarters and subsistence charges	10	10	10
Total obligations	33,453	42,436	44,285

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions	546	631	667
Full-time equivalent of other positions	5	6	6
Average number of all employees	521	557	606
Number of employees at end of year	559	615	659
Average GS grade	6.1	6.7	6.7
Average GS salary	\$5,388	\$6,039	\$6,047
Average salary of ungraded positions		\$4,269	\$4,269

NEUROLOGY AND BLINDNESS ACTIVITIES

For expenses necessary to carry out the purposes of the Act relating to neurology and blindness, **[\$56,600,000]** \$49,466,000. (42 U.S.C. 259 a-c; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$217 thousand for activities transferred in the estimates to "Environmental health activities." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants:			
(a) Research	23,581	30,823	31,152
(b) Fellowships	536	980	980
(c) Training	8,888	8,450	7,846
Total, grants	33,005	40,253	39,978
2. Direct operations:			
(a) Research	6,137	7,208	8,081
(b) Review and approval of grants	843	1,026	1,051
(c) Training activities	37	46	50
(d) Administration	203	274	306
Total, direct operations	7,219	8,553	9,488
Total program costs	40,224	48,806	49,466
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		—73	
Obligations incurred for costs of other years, net		44	
Total obligations	40,152	48,849	49,466
Financing:			
Comparative transfers to other accounts	97	191	
Unobligated balance lapsing	1,239	560	
New obligational authority	41,487	49,600	49,466
New obligational authority:			
Appropriation	41,487	56,600	49,466
Transferred to "Construction of mental health-neurology research facility" (42 U.S.C. 292)		—7,000	
Appropriation (adjusted)	41,487	49,600	49,466

1. *Grants*—(a) *Research*.—Funds for 1962 will support approximately 1,301 grants compared to 1,288 in 1961 and 1,068 in 1960.

(b) *Fellowships*.—Approximately 112 fellowships will be supported in 1961 and 1962, compared to 188 in 1960.

(c) *Training*.—Funds for 1961 and 1962 will support approximately 202 grants to training institutions to establish and improve programs to train teachers and clinical investigators in neurology, ophthalmology and otology. Approximately 230 traineeships will be awarded to indi-

viduals for specialized postgraduate training in 1961 and 1962. The grants and traineeships were 182 and 188, respectively, in 1960.

2. *Direct operations*—(a) *Research*.—Research is being conducted on disorders of the brain, and spinal cord and peripheral nerves, such as epilepsy, cerebral palsy, multiple sclerosis, apoplexy, and Parkinson's disease; on neuromuscular disorders, such as muscular dystrophy; and on visual and other sensory disorders, such as glaucoma, uveitis, cataract, and hearing impairments.

(b) *Training activities*.—Support is given for inservice training of qualified staff members in subjects related to neurological and other sensory disorders.

3. *Relation of costs to obligations*.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$269 thousand; 1960, \$196 thousand; 1961, \$240 thousand; 1962, \$240 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,261	3,126	3,446
Positions other than permanent.....	182	236	246
Other personnel compensation.....	77	82	76
Total personnel compensation.....	2,521	3,444	3,768
12 Personnel benefits.....	138	208	226
21 Travel and transportation of persons.....	240	244	255
22 Transportation of things.....	52	50	52
23 Rent, communications, and utilities.....	75	76	76
24 Printing and reproduction.....	66	30	30
25 Other services.....	689	660	685
Payment to "National Institutes of Health management fund".....	2,877	3,184	3,488
26 Supplies and materials.....	304	427	471
31 Equipment.....	251	286	450
41 Grants, subsidies, and contributions.....	32,953	40,253	39,978
Subtotal.....	40,163	48,859	49,476
Deduct quarters and subsistence charges.....	11	10	10
Total obligations.....	40,152	48,849	49,466

Personnel Summary

Total number of permanent positions.....	418	507	560
Full-time equivalent of other positions.....	16	25	27
Average number of all employees.....	383	479	534
Number of employees at end of year.....	438	561	619
Average GS grade.....	6.7	7.1	7.2
Average GS salary.....	\$5,727	\$6,342	\$6,384

GRANTS FOR CONSTRUCTION OF HEALTH RESEARCH FACILITIES

For grants pursuant to the Health Research Facilities Act of 1956, as amended by the Act of August 27, 1958 (72 Stat. 933), \$30,000,000. (42 U.S.C. 292; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants for construction and equipment (total costs—obligations) (object class 41).....	30,039	30,001	30,000
Financing:			
Unobligated balance brought forward.....	—40	—1	-----
Unobligated balance carried forward.....	1	-----	-----
New obligational authority (appropriation)	30,000	30,000	30,000

Funds are proposed for the sixth year of a \$180 million 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.

SCIENTIFIC ACTIVITIES OVERSEAS (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, and for carrying out the functions of the Public Health Service under the International Health Research Act of 1960 (74 Stat. 364), to remain available until expended, [\$3,707,000, of] \$10,084,000 which [not less than \$3,459,000] shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States [; Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States]. (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Foreign health research (total costs—obligations) (object class 25).....	-----	3,707	10,084
Financing:			
New obligational authority (appropriation).....	-----	3,707	10,084

The research efforts to be supported with foreign currencies derived through the sale abroad of surplus agricultural commodities authorized by the Agricultural Trade Development and Assistance Act of 1954, will be directed toward the solution of disease and health problems which hold promise of contributing knowledge of value and significance to the advancement of medical research in the United States and other countries. The program for translation of research publications is a continuation and extension of activities conducted in cooperation with, and formerly financed through, the National Science Foundation.

NATIONAL HEALTH STATISTICS

For expenses of the National Center for Health Statistics in carrying out the provisions of sections 301, 305, 312(a), 313, 314(c), and 315 of the Act, \$4,642,000.

Note.—Estimate for 1962 is for activities previously carried under appropriations as follows (in thousands of dollars):
 "Community health activities"..... 2,089
 "Salaries and expenses, Office of the Surgeon General"..... 2,553
 The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operations (total program costs).....	3,036	4,046	4,642
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—13	-----	-----
Total obligations.....	3,023	4,046	4,642
Financing:			
Comparative transfers from (—) other accounts.....	—3,023	—4,046	-----
New obligational authority (appropriation)	-----	-----	4,642

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

NATIONAL HEALTH STATISTICS—Continued

1. *Operations.*—The program of the National Center for Health Statistics comprises the major activities of the Public Health Service in the measurement of the health status of the Nation and in developing methods for the preparation of health statistics. It includes (a) the collection, compilation, analysis, and dissemination of statistics on births, deaths, fetal deaths, marriages, and divorces and other health data related to these basic vital events; (b) continuing surveys and special health statistics studies on the amount, distribution, and effects of illness and disability in the United States and the services received for or because of such conditions; (c) studies of health survey methods with a view to their continued improvement; and (d) technical advice and assistance on the application of statistical methods in the health and medical fields.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$128 thousand; 1960, \$115 thousand; 1961, \$115 thousand; 1962, \$115 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,323	1,716	2,059
Positions other than permanent.....	38	66	72
Other personnel compensation.....	33	32	4
Total personnel compensation.....	1,394	1,815	2,135
12 Personnel benefits.....	102	143	166
21 Travel and transportation of persons.....	82	165	206
22 Transportation of things.....	8	20	36
23 Rent, communications, and utilities.....	108	152	254
24 Printing and reproduction.....	70	85	98
25 Other services.....	263	284	378
Services of other agencies.....	939	1,191	1,251
26 Supplies and materials.....	26	37	57
31 Equipment.....	33	156	63
Subtotal.....	3,024	4,048	4,643
Deduct quarters and subsistence charges.....	1	1	1
Total obligations.....	3,023	4,046	4,642

Personnel Summary

Total number of permanent positions.....	243	297	342
Full-time equivalent of other positions.....	7	11	12
Average number of all employees.....	234	290	339
Number of employees at end of year.....	259	297	342
Average GS grade.....	6.6	6.6	6.9
Average GS salary.....	\$5,715	\$6,073	\$6,238

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), **[\$1,662,000]** including employment of aliens within the United States, **[\$2,066,000]** (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operations (total program costs).....	1,551	1,743	2,066
2. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-14	-5	-----
Total obligations.....	1,537	1,738	2,066
Financing:			
Unobligated balance lapsing.....	29	-----	-----
New obligational authority.....	1,566	1,738	2,066
New obligational authority:			
Appropriation.....	1,566	1,662	2,066
Proposed supplemental due to pay increase.....	-----	76	-----

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 services, the Library also publishes bibliographical guides and provides reference and research assistance.

The estimate for 1962 contemplates a continuation of the basic programs of the Library with increases for sustaining the interlibrary loan program, expanding coverage of medical literature indexed, and operating and maintaining the new library building.

Workload is reflected in the following summary data:

	1960 actual	1961 estimate	1962 estimate
Medical publications acquired.....	85,131	88,500	88,500
Titles cataloged.....	22,395	23,500	23,500
Volumes bound and repaired.....	19,447	22,000	22,000
Inquiries answered.....	9,046	10,000	12,000
Loan requests filled.....	95,595	120,000	144,000
Pages photographed for orders.....	2,051,885	2,600,000	3,200,000
Journal articles indexed.....	112,304	136,000	150,000

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$65 thousand; 1959 (adjusted), \$63 thousand; 1960, \$49 thousand; 1961, \$44 thousand; 1962, \$44 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,103	1,229	1,268
Positions other than permanent.....	6	8	8
Other personnel compensation.....	40	17	12
Total personnel compensation.....	1,149	1,254	1,288
12 Personnel benefits.....	75	93	96
21 Travel and transportation of persons.....	10	12	17
22 Transportation of things.....	2	2	5
23 Rent, communications, and utilities.....	41	43	90
24 Printing and reproduction.....	92	144	98
25 Other services.....	29	35	38
Payment to "National Institutes of Health management fund".....	-----	-----	265
26 Supplies and materials.....	48	64	71
31 Equipment.....	90	92	98
Total obligations.....	1,537	1,738	2,066

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	224	224	233
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	214	214	222
Number of employees at end of year.....	215	214	226
Average GS grade.....	6.3	6.3	6.2
Average GS salary.....	\$5,256	\$5,714	\$5,664
Average salary of ungraded positions.....	\$4,134	\$4,039	\$4,039

RETIRED PAY OF COMMISSIONED OFFICERS

For retired pay of commissioned officers, as authorized by law, and for 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Retirement payments and survivors' benefits (total costs—obligations) (object class 13).....	1,682	1,920	2,180
Financing:			
New obligational authority (appropriation).....	1,682	1,920	2,180

Retirement payments and survivors' benefits.—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 298 retired officers on the rolls on June 30, 1960, and it is anticipated that there will be 335 in 1961 and 358 in 1962.

SALARIES AND EXPENSES, OFFICE OF THE SURGEON GENERAL

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, **[\$6,900,000]** \$5,275,000. (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$2,553 thousand for activities transferred in the estimates to "National health statistics." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Includes \$170 thousand for activities previously carried under "Assistance to States, general." The amount obligated in 1960 is shown in the schedule as a comparative transfer and the amount obligated in 1961 is shown in the schedule as an actual transfer.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Public health methods and reports.....	615	724	815
2. International health activities.....	135	142	170
3. Management and central services.....	3,614	4,266	4,290
Total program costs.....	4,364	5,132	5,275
4. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—22		
Total obligations.....	4,342	5,132	5,275
Financing:			
Comparative transfers to other accounts.....	1,338	2,236	
Unobligated balance lapsing.....	136		
New obligational authority.....	5,816	7,368	5,275

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	5,816	6,900	5,275
Transferred from "Assistance to States, general" (42 U.S.C. 226).....		142	
Appropriation (adjusted).....	5,816	7,042	5,275
Proposed supplemental due to pay increases.....		326	

1. *Public health methods and reports.*—This program provides staff assistance for the Surgeon General in the formulation of Public Health Service policy. The greater part of current work has to do with the problems surrounding the delivery of health services in the Nation including (a) collection and interpretation of data to evaluate health problems, and measuring available facilities, health personnel, and organization of services against the need; (b) studies of the cost of, and methods of payment for, health services and the effect of these on utilization patterns; (c) publication of analyses of findings in order to provide a factual foundation for public and legislative consideration of national problems and proposals; (d) provision of advisory services to other government and nongovernment organizations; (e) staff services for the Surgeon General; and (f) publication of Public Health Reports, the official technical journal of the Public Health Service.

2. *International health activities.*—This program is concerned with the responsibilities in all phases of Public Health Service activities in the international field. It includes (a) participation in U.S. delegations to international, intergovernmental meetings; (b) development of policies covering all Public Health Service relationships in international matters; (c) provision of current information on the health status and conditions in foreign countries; (d) maintenance of Public Health Service relationships with multilateral and bilateral health agencies.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$59 thousand; 1960, \$37 thousand; 1961, \$37 thousand; 1962, \$37 thousand.

Object classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,254	3,937	4,083
Positions other than permanent.....	18	19	19
Other personnel compensation.....	34	17	5
Total personnel compensation.....	3,306	3,974	4,107
12 Personnel benefits.....	274	343	353
21 Travel and transportation of persons.....	107	137	139
22 Transportation of things.....	10	12	12
23 Rent, communications, and utilities.....	194	209	208
24 Printing and reproduction.....	150	146	147
25 Other services.....	58	44	40
Services of other agencies.....	137	180	179
26 Supplies and materials.....	59	47	51
31 Equipment.....	49	41	39
Total obligations.....	4,342	5,132	5,275

PUBLIC HEALTH SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, OFFICE OF THE SURGEON GENERAL—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	559	599	609
Full-time equivalent of other positions.....	3	4	4
Average number of all employees.....	501	559	577
Number of employees at end of year.....	535	574	588
Average GS grade.....	7.5	7.7	7.7
Average GS salary.....	\$6,255	\$6,814	\$6,841

【CONTROL OF TUBERCULOSIS】

【To carry out the purposes of section 314(b) of the Act, \$6,430,000, of which not less than \$4,000,000 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 sanatoriums.】 (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate of \$6,493 thousand for activities previously carried under this title has been transferred in the estimates to "Community health activities." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	6,424	6,493	-----
Unobligated balance lapsing.....	28	-----	-----
New obligational authority.....	6,452	6,493	-----
New obligational authority:			
Appropriation.....	6,452	6,430	-----
Proposed supplemental due to pay increases.....	-----	63	-----

【COMMUNICABLE DISEASE ACTIVITIES】

【To carry out the purposes of sections 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; and 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 other 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 four passenger motor vehicles for replacement only; and hire, maintenance, and operation of aircraft; \$14,116,000.】 (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate of \$15,236 thousand for activities previously carried under this title has been transferred in the estimates to "Community health activities." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	8,134	14,393	-----
Unobligated balance lapsing.....	23	-----	-----
New obligational authority.....	8,158	14,393	-----
New obligational authority:			
Appropriation.....	8,158	14,116	-----
Proposed supplemental due to pay increases.....	-----	277	-----

【SALARIES AND EXPENSES, HOSPITAL CONSTRUCTION SERVICES】

【For salaries and expenses incident to carrying out title VI of the Act, as amended, \$1,675,000.】 (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate of \$1,772 thousand for activities previously carried under this title has been transferred in the estimates to "Hospital construction activities." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	1,612	1,736	-----
Unobligated balance lapsing.....	38	-----	-----
New obligational authority.....	1,650	1,736	-----
New obligational authority:			
Appropriation.....	1,650	1,675	-----
Proposed supplemental due to pay increases.....	-----	61	-----

【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, \$4,931,000.】 (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate of \$5,312 thousand previously carried under this title has been transferred in the estimates as follows (in thousands of dollars):

"Medical care and foreign quarantine"..... 5,150
"Community health activities"..... 162
The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	4,662	5,110	-----
Unobligated balance lapsing.....	24	-----	-----
New obligational authority.....	4,686	5,110	-----
New obligational authority:			
Appropriation.....	4,686	4,931	-----
Proposed supplemental due to pay increases.....	-----	179	-----

[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); purchase of not to exceed twenty-seven passenger motor vehicles, of which fourteen 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; \$48,276,000.] (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Note.—Estimate of \$52,430 thousand for activities previously carried under this title has been transferred in the estimates to "Medical care and foreign quarantine." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	45,477	49,204	-----
Unobligated balance lapsing.....	297	-----	-----
New obligational authority.....	45,774	49,204	-----

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Planning.....	1,057	-----	-----	57	608	1,000	392	-----	-----
2. Construction and equipment.....	11,082	-----	-----	-----	-----	11,082	11,082	-----	-----
Total program costs.....	12,139	-----	-----	57	608	12,082	11,474	-----	-----
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	-----	-----	-----	34	358	-----	-----	-----	-----
Total obligations.....	-----	-----	-----	91	966	-----	-----	-----	-----
Financing:									
Unobligated balance brought forward.....	-----	-----	-----	-----	-12,048	-----	-----	-----	-----
Unobligated balance carried forward.....	-----	-----	-----	12,048	11,082	-----	-----	-----	-----
New obligational authority.....	-----	-----	-----	12,139	-----	-----	-----	-----	-----
New obligational authority:									
Appropriation.....	-----	-----	-----	0	-----	-----	-----	-----	-----
Transferred (74 Stat. 768) from—	-----	-----	-----	-----	-----	-----	-----	-----	-----
"Medical health activities".....	-----	-----	-----	5,139	-----	-----	-----	-----	-----
"Neurology and blindness activities".....	-----	-----	-----	7,000	-----	-----	-----	-----	-----
Appropriation (adjusted).....	-----	-----	-----	12,139	-----	-----	-----	-----	-----

Funds were appropriated in 1961 for construction of a combined basic and collaborative research facility for the National Institutes of Mental Health and Neurological Diseases and Blindness, including a physical biology component, and including plans and specifications, fixed and semifixed equipment, access roads and parking facilities, extension of and tie-in with existing power, refrigeration, and other utility systems of the National Institutes of Health. It is estimated that plans and specifications will be completed by September 1962, and construction is expected to require about 30 months.

3. Relation of costs to obligations.—Year-end balances of

unpaid undelivered orders are as follows: 1961, \$34 thousand; 1962, \$392 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
21 Travel and transportation of persons.....	-----	-----	1
24 Printing and reproduction.....	-----	3	3
25 Other services.....	-----	88	962
Total obligations.....	-----	91	966

PUBLIC HEALTH SERVICE—Continued**Current authorizations—Continued**

CONTROL OF VENEREAL DISEASES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	5,337		
Unobligated balance lapsing.....	63		
New obligational authority (appropriation)	5,400		

CONSTRUCTION, MENTAL HEALTH FACILITIES, ALASKA

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction (total costs—obligations) (object class 41).....	6,500		
Financing:			
Unobligated balance brought forward.....	-6,500		
New obligational authority (appropriation)			

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.
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Farm labor supply revolving fund," Bureau of Employment Security, Department of Labor.
 "Mutual security—economic," funds appropriated to the President.
 "Research and development," Office of Civil and Defense Mobilization.
 "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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
Cost of goods sold.....	158	156	158
Other expense.....	67	71	75
Total operating costs.....	225	227	233
Unfunded adjustment to total operating costs: Depreciation included above (—).....	-2	-2	-3
Total operating costs, funded.....	223	225	230
Capital outlay: Purchase of equipment.....	1	1	1
Total program costs, funded.....	224	226	231
Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2	2	3
Total obligations.....	226	228	234
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Sale of commodities.....	225	224	228
Other receipts.....	4	4	4
Total amounts becoming available.....	229	228	232

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Unobligated balance brought forward.....	26	29	29
Total amounts available.....	255	257	261
Unobligated balance carried forward.....	-29	-29	-28
Financing applied to program.....	226	228	234

Budget program.—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 thousand appropriated in 1944 and \$2 thousand 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Commodities for sale.....	18	18	18	19
Supplies, deferred charges, etc.....	3	2	3	3
Unpaid undelivered orders.....	3	6	7	9
Total selected resources at end of year.....	24	26	28	31
Selected resources at start of year (—).....		-24	-26	-28
Obligations incurred for costs of other years, net..		2	2	3

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	1	1	1
Expense:			
Purchase of commodities for sale.....	157	157	159
Other expense.....	65	69	71
Increase in selected working capital.....		2	2
Total gross expenditures.....	223	229	233
Receipts from operations (funds provided):			
Revenue.....	229	228	232
Decrease in selected working capital.....	3		
Total receipts from operations.....	232	228	232
Budget expenditures	-8		1

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	229	228	232
Expense.....	225	227	232
Net operating income or loss (—).....	4	1	-1
Retained earnings, beginning of year.....	47	51	52
Retained earnings, end of year.....	51	52	51

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	41	41	39
Accounts receivable, net.....	10	12	11
Commodities for sale.....	18	18	19
Supplies, deferred charges, etc.....	2	3	3
Equipment, net.....	8	7	5
Total assets.....	79	81	77

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current.....	16	17	14
Government investment:			
Non-interest-bearing capital (start and end of year).....	12	12	12
Retained earnings.....	51	52	51
Total Government investment.....	63	64	63

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	33	41	41	39
Obligated balance, net:				
Current liabilities.....	15	16	17	14
Unpaid undelivered orders.....	3	6	7	9
Accounts receivable, net (—).....	—11	—10	—12	—11
Total obligated balance.....	7	12	12	12
Unobligated balance.....	26	29	29	28

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	54	58	61
Positions other than permanent.....	1	1	—
Other personnel compensation.....	1	1	1
Total personnel compensation.....	56	60	62
12 Personnel benefits.....	4	5	5
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	1	1	1
25 Other services.....	1	1	1
26 Supplies and materials.....	161	159	163
31 Equipment.....	2	1	1
Total obligations.....	226	228	234

Personnel Summary

	1959	1960	1961	1962
Total number of permanent positions.....	14	14	14	14
Average number of all employees.....	13	13	13	13
Number of employees at end of year.....	12	14	14	14
Average GS grade.....	4.1	4.1	4.1	4.1
Average GS salary.....	\$4,213	\$4,547	\$4,646	

Intragovernmental funds:

BUREAU OF STATE SERVICES MANAGEMENT FUND

For the purpose of facilitating the economical and efficient conduct of operations in the Bureau of State Services which are financed by two or more appropriations where the costs of operation are not readily susceptible of distribution as charges to such appropriations, there is hereby established the Bureau of State Services management fund. Such amounts as the Surgeon General may determine to represent a reasonable distribution of estimated costs among the various appropriations involved may be advanced each year to this fund and shall be available for expenditure for such costs under such regulations as may be prescribed by the Surgeon General: *Provided*, That funds advanced to this fund shall be available only in the fiscal year in which they are advanced: *Provided further*, That final adjustments of advances in accordance with actual costs shall

be effected wherever practicable with the appropriations from which such funds are advanced. (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research services.....	1,180	1,776	1,922
2. Business operations.....	1,920	2,431	2,625
3. Program direction.....	139	258	295
Total program costs.....	3,239	4,465	4,842
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—64	—
Obligations incurred for costs of other years, net.....	130	—	16
Total obligations.....	3,369	4,401	4,858
Financing:			
Advances and reimbursements from other accounts.....	3,369	4,401	4,858

The Bureau of State Services management fund finances the research services, business operations, and program direction provided by the staff of the Chief, Bureau of State Services, and by field installations at the Communicable Disease Center, Atlanta, Ga., and the Sanitary Engineering Center, Cincinnati, Ohio. Activities of the management fund are financed by advances and reimbursements from those Public Health Service appropriations for which services are to be rendered by the fund. Formulas for determining the contribution from each appropriation are designed to reflect utilization of services performed by the management fund and take into consideration such factors as the numbers of personnel being serviced, and the dollar level for each program.

The centralized staffs of the Bureau of State Services, the Communicable Disease Center, and the Sanitary Engineering Center provide supporting services to program activities as follows:

1. *Research services* provide the central administration and operations of services required for the conduct of research activities at the Communicable Disease Center and the Sanitary Engineering Center. Included are such services as technical reporting, library and reference services, biometric services, laboratory equipment design and construction, and the operation and maintenance of buildings.

2. *Business operations* provide the centralized business management services for the Bureau of State Services and the business management services furnished by the central staffs of the Communicable Disease Center and the Sanitary Engineering Center. The activity includes such services as financial management, management advisory services, information activities, processing of Public Health Service claims, procurement, supply and property management, printing and reproduction, forms management, messenger, files and mail services.

3. *Program direction* provides for the executive direction and supervision of the various activities of the Bureau of State Services, including establishment of policies for program planning and development.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$70 thousand; 1960, \$200 thousand; 1961, \$136 thousand; 1962, \$152 thousand.

PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

BUREAU OF STATE SERVICES MANAGEMENT FUND—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,426	3,200	3,486
Positions other than permanent.....	32	38	54
Other personnel compensation.....	37	32	23
Total personnel compensation.....	2,495	3,270	3,564
12 Personnel benefits.....	202	269	305
21 Travel and transportation of persons.....	68	107	128
22 Transportation of things.....	9	16	15
23 Rent, communications, and utilities.....	160	319	340
24 Printing and reproduction.....	35	40	44
25 Other services.....	77	78	96
26 Supplies and materials.....	186	207	227
31 Equipment.....	91	80	94
32 Lands and structures.....	47	16	45
Subtotal.....	3,370	4,402	4,859
Deduct quarters and subsistence charges.....	1	1	1
Total obligations.....	3,369	4,401	4,858

Personnel Summary

Total number of permanent positions.....	488	563	614
Full-time equivalent of other positions.....	5	6	9
Average number of all employees.....	438	522	579
Number of employees at end of year.....	495	518	594
Average GS grade.....	6.8	6.9	6.9
Average GS salary.....	\$5,785	\$6,153	\$6,114

NATIONAL INSTITUTES OF HEALTH MANAGEMENT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Research supporting services.....	7,063	7,179	8,441
2. Clinical supporting services.....	8,967	9,952	10,702
3. Administrative management.....	4,003	4,965	5,971
4. Program direction.....	602	761	923
5. Review and approval of grants.....	3,019	4,127	4,450
6. Russian scientific translation.....	422	—	—
7. Cafeteria.....	383	400	425
Total program costs.....	24,459	27,384	30,912
8. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	16	157	—
Total obligations.....	24,476	27,541	30,912
Financing:			
Advances and reimbursements from—			
Other accounts.....	24,293	27,141	30,487
Non-Federal sources.....	386	400	425
Unobligated balance lapsing.....	—203	—	—
Total financing.....	24,476	27,541	30,912

Note.—Reimbursements from non-Federal sources are derived from the sale of meals to employees and others (40 U.S.C. 290).

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 resources, principally cafeteria receipts, and some miscellaneous reimbursements from other Government agencies. The 1962 estimate for these activities makes provision for meeting deficiencies in the logistical supporting services and requirements for maintenance of the physical plant.

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. *Administrative management* provides for 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 and planning of intramural and extramural research and other activities.

5. *Review and approval of grants* performs centralized review and approval services for the eight National Institutes of Health grants and awards programs and provides overall program coordination, application processing services, program reporting and analytical services, central records, and overall administration and audit of activated grants.

7. The *cafeteria* of the clinical center is operated by the nutrition department and furnishes meals for sale to the employees and visitors at rates sufficient to cover the cost thereof. Income and expenses for 1960, 1961, and 1962 are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Income from cafeteria sales.....	386	400	425
Expense:			
Foodstuff and supplies.....	164	176	183
Preparation of meals.....	219	224	242
Total expense.....	383	400	425

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$580 thousand; 1960, \$596 thousand; 1961, \$753 thousand; 1962, \$753 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	16,261	18,565	20,515
Positions other than permanent.....	422	468	471
Other personnel compensation.....	790	682	632
Total personnel compensation.....	17,473	19,715	21,618
12 Personnel benefits.....	1,085	1,444	1,577

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	346	413	441
22 Transportation of things.....	32	38	38
23 Rent, communications, and utilities.....	1,629	1,299	1,483
24 Printing and reproduction.....	119	134	153
25 Other services.....	698	1,202	1,505
26 Supplies and materials.....	2,417	2,570	2,956
31 Equipment.....	611	759	1,174
41 Grants, subsidies, and contributions.....	97		
Subtotal.....	24,507	27,574	30,945
Deduct quarters and subsistence charges.....	31	33	33
Total obligations.....	24,476	27,541	30,912

Personnel Summary

Total number of permanent positions.....	3,605	3,901	4,200
Full-time equivalent of other positions.....	70	83	68
Average number of all employees.....	3,359	3,584	3,908
Number of employees at end of year.....	3,645	3,774	4,120
Average GS grade.....	5.7	5.8	5.9
Average GS salary.....	\$4,967	\$5,443	\$5,478
Average salary of ungraded positions.....	\$4,321	\$4,452	\$4,440

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 activity at the National Institutes of Health which maintains a central supply of scientific and general-use materials, supplies, and special equipment and also provides services such as animal production, statistical processing, and instrumentation 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 \$128 thousand as of June 30, 1960, and are being retained in the fund against the possibility of future losses.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Supply depot activities:			
Acquisition of equipment.....	14	23	2
Expense:			
Purchase of commodities for sale.....	2,558	2,567	2,630
Other expense.....	280	303	302
Adjustment of prior revenue.....	13		
Increase in selected working capital.....		48	7
Total, supply depot activities.....	2,865	2,941	2,941

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Continued			
National Institutes of Health activities:			
Acquisition of equipment.....	9	23	14
Expense:			
Purchase of commodities for sale.....	2,137	2,016	2,091
Other expense.....	869	2,276	2,276
Increase in selected working capital.....		135	
Total, National Institutes of Health activities.....	3,015	4,450	4,381
Total gross expenditures.....	5,880	7,391	7,322
Receipts from operations (funds provided):			
Supply depot activities:			
Revenue.....	2,781	2,941	2,941
Decrease in selected working capital.....	125		
Total, supply depot activities.....	2,906	2,941	2,941
National Institutes of Health activities:			
Revenue.....	2,876	4,381	4,381
Decrease in selected working capital.....	114		
Total, National Institutes of Health activities.....	2,990	4,381	4,381
Total receipts from operations.....	5,896	7,322	7,322
Budget expenditures.....	—16	69	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Supply depot activities:			
Revenue.....	2,781	2,941	2,941
Expense.....	2,789	2,941	2,941
Net operating loss (—), supply depot activities.....	—8		
National Institutes of Health activities:			
Revenue.....	2,876	4,381	4,381
Expense.....	2,874	4,381	4,381
Net operating income, National Institutes of Health activities.....	2		
Nonoperating loss (—): Writeoff of equipment.....	—1		
Net loss (—) for the year.....	—7		
Analysis of retained earnings:			
Retained earnings, beginning of year.....	148	128	128
Adjustment of prior year revenue.....	—13		
Retained earnings, end of year.....	128	128	128

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	698	629	629
Accounts receivable, net.....	176	339	346
Commodities for sale.....	1,635	1,497	1,497
Supplies inventory.....	5	5	5
Equipment, net.....	139	163	156
Total assets.....	2,653	2,633	2,633
Liabilities:			
Current.....	526	506	506
Government investment:			
Non-interest-bearing capital:			
Start of year.....	1,997	1,999	1,999
Donated equipment during year.....	2		
End of year.....	1,999	1,999	1,999
Retained earnings.....	128	128	128
Total Government investment.....	2,127	2,127	2,127

Note.—Unpaid undelivered orders are as follows: 1959, \$388 thousand; 1960, \$460 thousand; 1961, \$460 thousand; 1962, \$460 thousand.

PUBLIC HEALTH SERVICE—Continued

Intragovernmental funds—Continued

SERVICE AND SUPPLY FUND—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	757	1,578	1,583
Positions other than permanent.....	1	7	7
Other personnel compensation.....	29	89	83
Total personnel compensation.....	787	1,674	1,673
12 Personnel benefits.....	54	126	126
21 Travel and transportation of persons.....	3	5	5
22 Transportation of things.....	41	20	20
23 Rent, communications, and utilities.....	19	367	367
24 Printing and reproduction.....	144	140	140
25 Other services.....	508	550	550
26 Supplies and materials.....	4,145	4,123	4,262
31 Equipment.....	170	206	175
Subtotal.....	5,871	7,211	7,318
Deduct quarters and subsistence charges.....	4	3	3
Net change in supplies inventory.....	2		
Total accrued expenditures—costs.....	5,869	7,208	7,315
Net change in unpaid undelivered orders.....	72		
Total obligations.....	5,941	7,208	7,315

Personnel Summary

Total number of permanent positions.....	186	318	318
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	177	307	308
Number of employees at end of year.....	164	312	312
Average GS grade.....	3.5	6.8	6.8
Average GS salary.....	\$3,994	\$5,894	\$5,894
Average salary of ungraded positions.....	\$4,379	\$4,115	\$4,115

WORKING CAPITAL FUND, NARCOTIC HOSPITALS

Budget program.—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 U.S. Government at the end of 1962 is estimated at \$590 thousand including \$134 thousand in appropriation and \$76 thousand in donated assets. Earnings are retained to meet possible future losses.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets.....	43	18	20
Expense:			
Purchase of commodities for manufacture or sale.....	240	258	282
Other expense.....	503	556	573
Increase in selected working capital.....		20	23
Total gross expenditures.....	786	852	898

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Revenue.....	773	847	891
Undistributed receipts:			
Disposition of dairy herd.....	9	5	6
Donated working capital.....	1		
Decrease in selected working capital.....	33		
Total receipts from operations.....	816	852	897
Budget expenditures	—30		

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	773	847	891
Expense.....	752	845	890
Net operating income.....	21	2	1
Nonoperating income, net:			
Proceeds from sale of dairy herd.....	9	5	6
Net book value of dairy herd sold.....	—3		
Net increase in dairy herd (births).....	1		
Net gain.....	7	5	6
Writeoff of equipment.....	—2		
Net nonoperating income.....	5	5	6
Net income for the year.....	26	7	7
Retained earnings, beginning of year.....	340	366	373
Retained earnings, end of year.....	366	373	380

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	98	98	98
Accounts receivable, net.....	50	73	93
Commodities for sale.....	161	161	152
Work in process.....	18	15	16
Supplies, deferred charges, etc.....	102	99	106
Equipment, net.....	188	178	170
Total assets.....	617	624	635
Liabilities:			
Current.....	41	41	45
Government investment:			
Non-interest-bearing capital:			
Start of year.....	207	210	210
Donated assets during the year:			
Inventories.....	1		
Equipment.....	2		
End of year.....	210	210	210
Retained earnings.....	366	373	380
Total Government investment.....	576	583	590

Note.—Unpaid undelivered orders are as follows: 1959, \$29 thousand; 1960, \$28 thousand; 1961, \$54 thousand; 1962, \$79 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	306	371	384
Positions other than permanent.....	6	4	3
Other personnel compensation.....	8	7	7
Total personnel compensation.....	320	382	394

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	20	30	31
21 Travel and transportation of persons.....	6	6	7
22 Transportation of things.....	7	9	10
23 Rent, communications, and utilities.....	11	11	12
25 Other services.....	14	16	15
26 Supplies and materials.....	347	379	414
31 Equipment.....	51	23	24
Subtotal.....	776	856	907
Deduct quarters and subsistence charges.....	1	1	1
Total obligations.....	775	855	906

Personnel Summary

Total number of permanent positions.....	61	65	66
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	58	65	66
Number of employees at end of year.....	62	65	66
Average GS grade.....	6.4	6.4	6.4
Average GS salary.....	\$5,333	\$5,788	\$5,891
Average salary of ungraded positions.....	\$5,634	\$5,962	\$5,850

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Community health activities.....	680	776	776
2. Environmental health activities.....	1,261	1,498	1,498
3. Medical care and foreign quarantine.....	1,331	1,373	1,394
4. National Cancer Institute.....	1	15	15
5. Mental health activities.....	40	64	64
6. National Heart Institute.....	7	38	25
7. National Institute of Dental Research.....		1	1
8. Arthritis and metabolic disease activities.....	438	454	458
9. Allergy and infectious disease activities.....	8	10	5
10. Neurology and blindness activities.....	1	1	1
11. National health statistics.....	103	135	135
12. National Library of Medicine.....	18	24	24
13. Salaries and expenses, Office of the Surgeon General.....	187	236	236
14. Research projects.....	1	243	157
Total program costs.....	4,077	4,868	4,788
15. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1		
Total obligations.....	4,076	4,868	4,788
Financing:			
Unobligated balance brought forward.....		65	
Advances and reimbursements from—			
Other accounts.....	3,778	4,377	4,363
Non-Federal sources.....	364	425	425
Unobligated balance carried forward.....	—65		
Total financing.....	4,076	4,868	4,788

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 fees for special inspection services (42 U.S.C. 267), and for receipts, from pay patients (42 U.S.C. 221).

15. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$6

thousand; 1960, \$5 thousand; 1961, \$5 thousand; 1962, \$5 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,969	2,394	2,405
Positions other than permanent.....	285	389	395
Other personnel compensation.....	342	392	384
Total personnel compensation.....	2,596	3,176	3,185
12 Personnel benefits.....	309	365	365
21 Travel and transportation of persons.....	340	373	371
22 Transportation of things.....	88	82	80
23 Rent, communications, and utilities.....	21	25	25
24 Printing and reproduction.....	16	17	16
25 Other services.....	150	199	191
26 Supplies and materials.....	484	493	485
31 Equipment.....	81	145	79
Subtotal.....	4,084	4,876	4,796
Deduct quarters and subsistence charges.....	8	8	8
Total obligations.....	4,076	4,868	4,788

Personnel Summary

Total number of permanent positions.....	349	386	384
Full-time equivalent of other positions.....	39	56	56
Average number of all employees.....	336	407	408
Number of employees at end of year.....	383	405	418
Average GS grade.....	6.8	7.1	7.1
Average GS salary.....	\$5,688	\$6,165	\$6,180

Proposed for later transmission:

INDIAN HEALTH ACTIVITIES

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Hospital health services (total costs—obligations).....		538	
Financing:			
New obligational authority (proposed supplemental appropriation).....		538	

Under existing legislation, 1961.—A supplemental appropriation of \$538 thousand is required in 1961 to finance wage-board pay increase costs that were not included in the 1961 appropriation.

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 for replacement only,] clothing for patients, and cooperation with organizations or individuals in the scientific research into the nature, causes, prevention, and treatment of mental illness, [\$4,095,000] \$4,939,000. (24 U.S.C. 161-221: Department of Health, Education, and Welfare Appropriation Act 1961.)

SAINT ELIZABETHS HOSPITAL—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Operation and maintenance.....	18,241	20,140	21,415
2. Training and education.....	276	428	499
3. Research.....		80	111
Total operating costs.....	18,517	20,648	22,025
4. Unfunded adjustment to total operating costs: Property transferred in without charge, (—).....	—204	—150	—150
Total operating costs, funded.....	18,313	20,498	21,875
Capital outlay:			
1. Operation and maintenance.....	236	286	268
2. Training and education.....	1	1	1
3. Research.....		1	1
Total capital outlay.....	237	288	270
4. Unfunded adjustment to total capital outlay: Above capital assets transferred in without charge, (—).....	—45		
Total capital outlay, funded.....	192	288	270
Total program costs, funded.....	18,505	20,786	22,145
5. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—31	—30	
Total obligations.....	18,474	20,756	22,145
Financing:			
Advances and reimbursements from—			
Other accounts.....	—1,193	—1,344	—1,535
Non-Federal sources (32 D.C. Code 401-416).....	—13,490	—15,129	—15,671
Unobligated balance lapsing.....	14		
New obligational authority.....	3,805	4,283	4,939
New obligational authority:			
Appropriation.....	3,805	4,095	4,939
Proposed supplemental due to pay increases.....		188	

Saint Elizabeths Hospital provides care and treatment for the mentally ill, trains persons in the medical, nursing and associated disciplines concerned with the treatment of psychiatric patients, and conducts and cooperates with others in scientific research activities dealing with mental illness. The patient load consists of beneficiaries of the Federal Government, both direct and reimbursable, and residents of the District of Columbia. The sponsoring agencies such as the District of Columbia Government and the Veterans Administration reimburse the hospital on the basis of full program cost; however, beginning in 1962 it is proposed that the cost of the research activity and 40% of the cost of the training and education activity, the portion of such not directly related to patient care, be financed from this appropriation. Thus agencies reimbursing the hospital will be required to pay only the cost of patient care and treatment furnished. The average per diem reimbursement rate in 1959 and 1960 was \$6.77 and \$7.20 respectively and is estimated to be \$8.20 in 1961 and \$8.58 in 1962.

1. *Operation and maintenance.*—This activity covers the protective, therapeutic and rehabilitative programs of

the hospital, maintenance of hospital buildings, operation of a farm and an employees cafeteria, procurement of supplies and materials, and the provision of necessary administrative services.

Actual and estimated average daily patient load is as follows:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Federal beneficiaries.....	1,853	1,915	1,980	1,968
District of Columbia residents.....	5,047	5,068	5,030	4,980
Total.....	6,900	6,983	7,010	6,948

A proposed supplemental covering wage board pay increases and workload increases is shown under Proposed for later transmission.

2. *Training and education.*—The training and education program provides multidisciplinary clinical training for professional and ancillary personnel engaged or interested in mental health activities.

The number of trainees under this program are as follows:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Interns and other postgraduates.....	47	58	92	92
Student nurses.....	83	84	90	90
Total.....	130	142	182	182

3. *Research.*—The hospital plans, develops and conducts coordinated research programs and projects to obtain a better understanding of the causes of mental disorders, and of the factors bearing upon their development, treatment and possible prevention. A close working relationship with the National Institute of Mental Health is maintained and the resources of both institutions are combined in unified endeavors.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	420	467	437	437
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	203	122	122	122
Total selected resources at end of year.....	623	589	559	559
Selected resources at start of year (—).....		—623	—589	—559
Adjustment of selected resources reported at start of year.....		3		
Costs financed from obligations of other years, net (—).....		—31	—30	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	12,659	14,422	15,568
Positions other than permanent.....	17	17	17
Trainees (interns and residents).....	196	296	344
Other personnel compensation.....	637	648	635
Total personnel compensation.....	13,509	15,383	16,564
12 Personnel benefits.....	872	1,108	1,202
21 Travel and transportation of persons.....	11	11	11
22 Transportation of things.....	11	12	12
23 Rent, communications, and utilities.....	183	188	188
24 Printing and reproduction.....	18	18	18
25 Other services.....	128	103	213

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	3,616	3,644	3,668
31 Equipment.....	148	320	300
Subtotal.....	18,496	20,787	22,176
Deduct charges for quarters, subsistence, and laundry.....	22	31	31
Total obligations.....	18,474	20,756	22,145

Personnel Summary—Continued			
	1960 actual	1961 estimate	1962 estimate
Average GS salary.....	\$4,671	\$5,051	\$5,046
Average salary of ungraded positions.....	\$3,996	\$3,980	\$3,940

MAJOR REPAIRS AND PRESERVATION OF BUILDINGS AND GROUNDS FACILITIES

For [miscellaneous] construction, alterations, [repairs] extension, and equipment, of buildings and facilities on the grounds of the hospital, including preparation of plans and specifications, advertising, and supervision of construction, [\$345,000] \$675,000, to remain available until [June 30, 1962] expended: *Provided, That the unexpended balances of appropriations as of June 30, 1961, heretofore made available for construction, improvement, extension, or equipment of any Saint Elizabeths Hospital facilities, shall be merged with this appropriation.* (24 U.S.C. 161-221; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Personnel Summary			
Total number of permanent positions.....	3,022	3,321	3,471
Full-time equivalent of other positions.....	84	108	121
Average number of all employees.....	2,916	3,192	3,432
Number of employees at end of year.....	3,118	3,365	3,513
Average GS grade.....	4.6	4.7	4.7

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Construction, continued treatment building.....	7,300		15	110	270			270	6,905
2. Miscellaneous improvements of existing facilities.....	4,298	3,284	147	419	304	143	144	305	
3. Construction and equipment, treatment and cafeteria building.....	4,673	121	57	1,432	2,640	3,063	423		
4. Extension and modernization of administration building.....	501			130	371	371			
5. Construction and equipment of treatment building.....	6,355	6,336	19						
6. Construction and equipment, maximum security building.....	7,766	7,522	202	42					
Total program costs.....	30,893	17,263	440	2,133	3,585	3,577	567	575	6,905
7. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....			—132		—2,411				
Obligations incurred for costs of other years, net.....				2,805					
Total obligations.....			308	4,938	1,174				
Financing:									
Comparative transfers from (—) other accounts.....			—80	—4,516					
Unobligated balance brought forward.....			—33	—135	—57				
Unobligated balance transferred (1962 appropriation act) from—									
“Construction and equipment, treatment and cafeteria building”.....					—525				
“Extension and modernization of administration building”.....					—84				
Unobligated balance carried forward.....			135	57	67				
New obligational authority (appropriation).....			330	345	575				

This appropriation consolidates all construction and facility improvement items of Saint Elizabeths Hospital, formerly financed by individual appropriations.

1. *Construction, continued treatment building.*—Funds are requested for the preparation of plans and specifications for a 450-bed treatment building to replace three smaller treatment facilities constructed during the period 1853-1872. Tentative drawings will be completed during the current fiscal year with funds appropriated in 1959.

2. *Miscellaneous improvements of existing facilities.*—Funds requested will provide for (a) renovation of Hitch-

cock Hall, (b) rebuilding of boilers, (c) modernization of dishwashing installations, (d) additional water supply line to Laundry and Warehouse, and (e) modification of electrical power substation.

3. *Construction and equipment, treatment and cafeteria building.*—This building will house 250 patients and food service facilities for these plus 500 patients from two adjacent buildings. Construction of this building, which will replace an antiquated treatment facility built in 1871, will commence in the current fiscal year.

SAINT ELIZABETHS HOSPITAL—Continued

Current authorizations—Continued

[MAJOR REPAIRS AND PRESERVATION OF] BUILDINGS AND [GROUNDS] FACILITIES—Continued

4. *Extension and modernization of administration building.*—The administration building is being modernized to furnish more adequate space and facilities. Construction is expected to commence early in calendar year 1961.

5. *Construction and equipment of treatment building.*—Construction of a 420-bed intensive treatment facility and an interdenominational chapel has been completed and both are in use.

6. *Construction and equipment of maximum security building.*—Construction of a 396-bed maximum security building has been completed. Small finishing-up projects are to be completed in the current fiscal year.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$237 thousand; 1960, \$105 thousand; 1961, \$2,910 thousand; 1962, \$499 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
SAINT ELIZABETHS HOSPITAL			
25 Other services.....	71	152	125
26 Supplies and materials.....	14		
31 Equipment.....	42	2	
Total, Saint Elizabeths Hospital.....	127	154	125
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....	1	10	5
25 Other services.....	54	337	383
31 Equipment.....	19	9	311
32 Lands and structures.....	107	4,428	350
Total, General Services Administration.....	181	4,784	1,049
Total obligations.....	308	4,938	1,174

[CONSTRUCTION AND EQUIPMENT, TREATMENT AND CAFETERIA BUILDING]

[For construction and equipment of a treatment and cafeteria building at Saint Elizabeths Hospital, \$4,493,000, to remain available until expended.] (24 U.S.C. 161-221; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		3,968	
Unobligated balance brought forward.....			—525
Unobligated balance transferred to "Buildings and facilities" (1962 appropriation act).....			525
Unobligated balance carried forward.....		525	
New obligational authority (appropriation)		4,493	

[EXTENSION AND MODERNIZATION OF ADMINISTRATION BUILDING]

[For expenses necessary for the extension and modernization of the administration building at Saint Elizabeths Hospital, \$501,000, to remain available until expended.] (24 U.S.C. 161-221; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		417	
Unobligated balance brought forward.....			—84
Unobligated balance transferred to "Buildings and facilities" (1962 appropriation act).....			84
Unobligated balance carried forward.....		84	
New obligational authority (appropriation)		501	

CONSTRUCTION, CONTINUED TREATMENT BUILDING

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		106	
Unobligated balance brought forward.....	—106		
Unobligated balance lapsing.....	106		
New obligational authority (reappropriation)		106	

OTHER SAINT ELIZABETHS HOSPITAL CONSTRUCTION ACCOUNTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....		25	
Unobligated balance brought forward.....	—125	—45	
Unobligated balance carried forward.....	45		
Unobligated balance lapsing.....		20	
New obligational authority (appropriation)			

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Mental health activities," Public Health Service.

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operation and maintenance (total costs—obligations).....		297	
Financing:			
New obligational authority (proposed supplemental appropriation)		297	

Under existing legislation, 1961.—A supplemental appropriation of \$297 thousand, covering the Federal share of (a) wage-board pay increases granted February 1960, (b) further increases of this type expected in January 1961, and (c) a revision in financing in recognition of increases in patient load and changes in the proportion

of reimbursable and nonreimbursable (Federal) patients, is anticipated for 1961.

SOCIAL SECURITY ADMINISTRATION

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

(Trust fund)

For necessary expenses, not more than **[\$203,200,000]** \$240,750,000 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.

Advances to States, next succeeding fiscal year: For making, after May 31 of the current fiscal year, advances to States under section 221(e) of the Social Security Act, as amended, for the first quarter of the next succeeding fiscal year, such sums as may be necessary from the above authorization may be expended from the Federal old-age and survivors insurance trust fund. (42 U.S.C. 401-425; *Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maintenance of earnings accounts.....	28,283	29,412	28,756
2. Processing OASI claims.....	63,318	66,420	81,660
3. Maintenance of OASI beneficiary rolls.....	27,495	33,310	39,319
4. Processing disability claims and maintaining beneficiary rolls.....	36,850	44,474	51,589
5. Hearings and appeals.....	4,027	4,225	4,799
6. Actuarial services.....	104	137	146
7. Administration.....	19,777	21,930	24,016
8. Contingency reserve.....		10,000	10,000
Total program costs.....	179,855	209,909	240,286
9. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	621	376	464
Total obligations.....	180,476	210,285	240,750
Financing:			
Unobligated balance lapsing.....	11,124		
Limitation.....	191,600	203,200	240,750
Proposed increase in limitation due to pay increases.....		7,085	

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. Under the program, people in covered employment and the self-employed make tax contributions during their working years to provide protection for themselves and their families. Employers match the contributions made by their employees. These contributions 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 Social Security Amendments of 1960 were enacted September 13, 1960. Major provisions of these amendments include: (1) liberalization of insured status requirements for OASI benefits; (2) benefits for all disabled

workers, regardless of age, and their dependents; (3) increases in benefits for children; (4) a changed retirement test for beneficiaries; (5) benefits for survivors of workers who died before 1940; and (6) various technical changes to the law. The 1960 amendments will significantly increase the work to be received by the Bureau of Old-Age and Survivors Insurance in 1961. To process this added work and the costs of the Pay Raise Act of 1960, a supplemental request in the amount of \$24,460 thousand is proposed for later transmission. The volume of work appearing under the activities below includes the estimated additional workload receipts due to the amendments; however, the figures shown for 1961 in the program and financing and object schedules 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 the lifetime earnings records maintained by the Bureau. The volume of earnings record work depends primarily on the level of employment. Employment levels are expected to continue to rise through both 1961 and 1962. This anticipated increase in employment plus a growing population will result in the receipt of a greater number of earnings items in 1962 than in 1961. The number of items to be processed in 1962 will decline because a backlog of 8.1 million items which was carried over from 1960 will be worked off in 1961.

	1960 actual	1961 estimate	1962 estimate
Earnings items:			
Received.....	262,868,846	274,887,000	279,961,500
Processed.....	254,752,215	283,003,631	279,961,500

2. *Processing OASI claims.*—Prospective beneficiaries file claims in 584 district offices located in cities throughout the country. When a claim is approved, the Treasury Department is authorized to issue benefit checks. The number of claims to be received in 1961 is higher than estimated for 1962 because of the heavy initial impact of the 1960 amendments in 1961, resulting from claims filed by those newly eligible under the amendments, and by those who will benefit from the liberalized retirement test.

	1960 actual	1961 estimate	1962 estimate
OASI claims applications:			
Received.....	2,451,974	3,113,000	2,916,000
Processed.....	2,451,809	3,065,883	2,946,300

3. *Maintenance of OASI 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 eligibility for benefits ceases. The number of benefits in current pay status increased by 920 thousand in 1960, in line with the normal claims activity during the year. The estimate of benefits in current pay status for 1961 increases by more than 1.2 million, reflecting the initial impact of claims activity due to the amendments. The 1962 estimate reflects a more normal rate of long-term growth of the program, as the initial effect of the amendments passes. Benefit payments will continue to rise each year with the increasing number of beneficiaries.

	[Dollars in millions]		
	1960 actual	1961 estimate	1962 estimate
OASI benefits in current pay status at end of year.....			
OASI benefit payments.....	13,740,278	14,992,000	16,074,000
	\$10,270	\$11,196	\$12,014

4. *Processing disability claims and maintaining beneficiary rolls.*—The Bureau's district offices receive all dis-

SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE—Continued

(Trust fund)—Continued

ability claims. In most cases State agencies, under contractual arrangements, determine the existence of a disability. The Bureau reviews these determinations to assure uniformity among States. In addition, the Bureau maintains the beneficiary rolls for disability beneficiaries. The removal of the age 50 limitation for eligibility for disability insurance as provided in the 1960 amendments will result in: (a) the immediate conversion of 110 thousand disabled workers under age 50 from "freeze" to benefit status; (b) claims for benefits from workers under age 50 who become disabled; and (c) claims from dependents of both of these groups of workers. This will sharply increase the number of beneficiaries in 1961 and 1962 from the 1960 level.

[Dollars in millions]

	1960 actual	1961 estimate	1962 estimate
Claims from disabled workers:			
Received.....	1,341,973	411,000	397,000
Processed.....	347,473	410,016	403,308
Disability benefits in current pay status at end of year.....	521,550	925,000	1,102,000
Disability benefit payments.....	\$528	\$715	\$935

¹ Includes claims for a disability freeze.

5. *Hearings and appeals.*—Individuals whose claims are disallowed have the right to appeal. The increase in the estimated receipts for 1962 reflects the delayed impact of the 1960 amendments in this activity. The large number of hearing requests processed in 1960 represented the virtual elimination of an abnormal backlog carried over from prior years.

	1960 actual	1961 estimate	1962 estimate
Requests for hearings:			
Received.....	13,778	13,580	17,520
Processed.....	20,262	13,844	17,615

6. *Actuarial services.*—Actuarial studies and estimates are prepared for long-range program planning.

7. *Administration.*—This activity includes executive direction, divisional management, program research and planning, and housekeeping services.

8. *Contingency reserve.*—This reserve represents funds to be made available in the event claims workloads exceed those contained in the 1962 appropriation request.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5,021 thousand; 1960, \$5,642 thousand; 1961, \$6,018 thousand; 1962, \$6,482 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	125,601	140,274	161,623
Positions other than permanent.....	708	456	419
Other personnel compensation.....	4,454	2,486	3,101
Total personnel compensation.....	130,763	143,217	165,143
12 Personnel benefits.....	8,935	10,882	12,472
21 Travel and transportation of persons.....	2,821	3,143	3,320
22 Transportation of things.....	628	703	661
23 Rent, communications, and utilities.....	15,752	17,423	20,713
24 Printing and reproduction.....	1,400	1,491	1,784
25 Other services.....	1,621	3,232	3,528
Advances to States.....	14,071	16,600	19,377
26 Supplies and materials.....	1,908	2,170	2,310
31 Equipment.....	2,578	1,424	1,392
32 Lands and structures.....			50
42 Insurance claims and indemnities.....		1	1
Contingency reserve.....		10,000	10,000
Total obligations.....	180,476	210,285	240,750

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	25,853	26,340	30,459
Full-time equivalent of other positions.....	145	80	78
Average number of all employees.....	25,289	25,813	29,612
Number of employees at end of year.....	25,079	26,548	30,221
Average GS grade.....	5.8	5.9	5.8
Average GS salary.....	\$5,035	\$5,546	\$5,421
Average salary of ungraded positions.....	\$4,417	\$4,671	\$4,687

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

(Trust fund)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Land.....	428	278		150					
2. Design, supervision, etc.....	1,541	944	302	222	73	73			
3. Construction.....	28,990	15,422	8,944	1,825	2,772	2,799	26		
4. Furnishings and equipment.....	1,331	1	850	160	321	321			
Total program costs.....	32,290	16,644	10,096	2,357	3,166	3,192	26		
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....			—7,643		—2,676				
Obligations incurred for costs of other years, net.....				2,306					
Total obligations.....			2,454	4,663	490				
Financing:									
Unobligated balance brought forward.....			—7,634	—5,180	—517				
Unobligated balance carried forward.....			5,180	517	26				
Limitation.....									

The Bureau's new headquarters building in Baltimore County, Md., was completed and occupied during 1960.

Because of major amendments to the Social Security Act since 1953 when space requirements were formulated, the building is too small to house all of the Bureau's Baltimore operations. An addition is being built to accommodate the Baltimore Payment Center and the Division of Disability Operations which at present are still housed in rented space in Baltimore. Authorization has been granted for the construction of this annex, and occupation is expected in 1962.

Current long-range projection of space needs support a conclusion that the present site may prove to be inadequate in future years. This factor coupled with rising land costs, changing zoning laws, and a limited amount of land still available adjacent to the present site requires timely action before development of the environs and prohibitive costs make it impossible to acquire more land. A request for supplemental funds in the amount of \$320 thousand is shown under Proposed for later transmission to purchase approximately 27 acres of additional land.

5. *Relation of costs to obligations.*—Year-end balances of unpaid, undelivered orders are as follows: 1959, \$8,013 thousand; 1960, \$370 thousand; 1961, \$2,676 thousand; 1962, \$0.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1	2	2
22 Transportation of things.....	141		
24 Printing and reproduction.....	2	2	
25 Other services.....	371	78	71
26 Supplies and materials.....	147		
31 Equipment.....	667	86	280
32 Land and structures.....	1,125	4,495	137
Total obligations.....	2,454	4,663	490

GRANTS TO STATES FOR PUBLIC ASSISTANCE

For grants to States for old-age assistance, *medical assistance for the aged*, 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), **[\$2,083,000,000]** *\$2,285,800,000*, 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.

【The amounts made available for "Grants to States for public assistance", in the Department of Health, Education, and Welfare Appropriation Act, 1961, shall be available for grants for medical assistance for the aged, as authorized by the "Social Security Amendments of 1960".】 (*Department of Health, Education, and Welfare Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
State expenditures:			
1. Payments to or on behalf of recipients:			
(a) Old-age assistance.....	1,112,629	1,105,700	1,213,300
(b) Medical assistance for the aged.....			60,000
(c) Aid to dependent children.....	612,043	638,700	651,600
(d) Aid to the blind.....	45,300	45,300	45,400
(e) Aid to the permanently and totally disabled.....	152,747	167,800	170,000
Total, payments to or on behalf of recipients.....	1,922,719	1,957,500	2,140,300

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
State expenditures—Continued			
2. State and local administration:			
(a) Old-age assistance.....	59,686	61,900	65,300
(b) Medical assistance for the aged.....			9,000
(c) Aid to dependent children.....	54,517	59,000	64,300
(d) Aid to the blind.....	3,586	3,800	4,000
(e) Aid to the permanently and totally disabled.....	15,845	18,300	20,400
Total, State and local administration.....	133,634	143,000	163,000
Total for all programs.....	2,056,353	2,100,500	2,303,300
3. Collections and adjustments during year.....	-20,006	-17,500	-17,500
Total program costs.....	2,036,347	2,083,000	2,285,800
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	57,840	64,046	
Total obligations (object class 41).....	2,094,187	2,147,046	2,285,800
Financing:			
Appropriation available from subsequent year.....	-505,954	-570,000	-570,000
Appropriation available in prior year.....	445,528	505,954	570,000
Unobligated balance lapsing.....	3,739		
New obligational authority (appropriation).....	2,037,500	2,083,000	2,285,800

Grants for old-age assistance, medical assistance for the aged, 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-four jurisdictions including all the States, the District of Columbia, Guam, Puerto Rico, and the Virgin Islands have approved plans for old-age assistance, aid to dependent children, and aid to the blind; 50 jurisdictions have approved plans for aid to the permanently and totally disabled.

The Social Security Amendments of 1960, authorized, effective October 1, 1960, Federal participation in a new program of medical assistance for the aged who are not recipients of old-age assistance but who require aid to pay their medical bills. State legislation is necessary in many States before they can initiate this new medical assistance for the aged program.

The Social Security Amendments of 1960 also increased Federal financial participation in medical care for the aged under the regular old-age assistance program. A higher Federal matching ratio was provided for medical vendor payments to suppliers of medical care to recipients of old-age assistance. This change, which is described below, is superimposed on the provisions for determining the Federal share that have been in effect since October 1958. Under these provisions the amount of assistance payments subject to Federal participation is limited to a monthly average expenditure of \$65 per recipient of old-age assistance, aid to the blind, and aid to the permanently and totally disabled, and \$30 per recipient of aid to dependent children. The average monthly amount is based on expenditures for money payments to recipients and payments to vendors for medical or remedial care. Within these maximums, the Federal Government provides four-fifths of the first \$30 per recipient of old-age assistance, aid to the blind, and aid to the permanently and totally disabled, and fourteen-

SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

GRANTS TO STATES FOR PUBLIC ASSISTANCE—Continued

seventeenth of the first \$17 per recipient of aid to dependent children; plus a proportion of the balance, which varies among States from 50% to 65% depending on variations in average per capita income of the States. Somewhat different provisions are applicable to Guam, Puerto Rico, and the Virgin Islands. In all 54 jurisdictions, the Federal share of expenditures for State and local administration of the programs is one-half.

The increased Federal financial participation in payments to suppliers of medical care to recipients of old-age assistance (brought about by the 1960 amendments) is related to the amount spent for such payments up to a maximum of \$12. For States with average monthly payments over \$65, the Federal Government participates in the expenditures in excess of \$65 except that such participation is limited to the amount of the average vendor medical payment, with a maximum of \$12. The Federal share in the excess expenditure consists of the "Federal medical percentage" for the State, which ranges from 50% to 80% under a formula based on per capita income.

For States with average monthly payments of \$65 or less the additional Federal share in average vendor medical payments up to \$12 will be an additional 15% over the usual "Federal percentage" (based on per capita income) applicable to the amount of payments falling between \$30 and \$65. This percentage, when added to the usual "Federal percentage" for the second part of the payment, will give a total Federal share of from 65% to 80%. The additional Federal share of 15% will also be available to States with average monthly payments over \$65, when it is advantageous to them as an alternative to the method described in the preceding paragraph.

Comparable liberalizations of the formula for Federal participation in old-age assistance for Puerto Rico, the Virgin Islands and Guam are included in the legislation.

Under the *new* program of medical assistance for the aged, the Federal capital share of expenditures for all 54 jurisdictions is the "Federal medical percentage" of the amounts expended by the State for such assistance plus one-half the costs of State and local administration. The "Federal medical percentages" range from 50% to 80% under a formula based on per capita income.

For 1962, the total amount of Federal, State, and local expenditures for assistance and administration is estimated at \$3,992.3 million of which \$2,303.3 million represents the Federal share. The appropriation request of \$2,285.8 million is \$17.5 million less than the estimated Federal share, because the States will have available for expenditure \$17.5 million representing the Federal share of collections and adjustments for prior years. Of the total Federal share, \$1,278.6 million is for old-age assistance, \$69 million for medical assistance for the aged, \$715.9 million for aid to dependent children, \$49.4 million for aid to the blind, and \$190.4 million for aid to the permanently and totally disabled.

It is estimated that a supplemental appropriation of \$77 million will be required for 1961 in addition to the \$2,083 million already appropriated. The supplemental amount is needed to finance the additional costs due to the Social Security Amendments of 1960, described above.

Of the total increase for 1962 over 1961, about \$102 million reflects the effect of the Social Security Amendments of 1960; the rest is due to changes in average monthly payments, numbers of recipients, and the

costs of State and local administration. The increased cost of the amendments in 1962 is due in part to their being in effect for the entire year rather than for 9 months only as in 1961; and in part to anticipated growth in the program of medical assistance for the aged as more States initiate such programs.

The insurance provisions of the 1960 Social Security Amendments are expected to have the effect of somewhat reducing assistance costs.

The figures for 1961 used in the tables appearing under the activities below include the supplemental request of \$77 million; the figures shown in the program and financing schedule include only the \$2,083 million already appropriated.

1. *Payments to or on behalf of recipients.*—(a) *Old-age assistance.*—The average number of recipients per month for 1962 is estimated at 3% fewer than was estimated for 1961. The estimated average monthly payment is \$4.80 more than the estimate for 1961.

	1960 actual	1961 estimate	1962 estimate
Average number of recipients per month.....	2,386,889	2,306,000	2,236,600
Average monthly payment.....	\$66.15	\$70.80	\$75.60
Total expenditures for assistance (Federal, State, and local) (millions)....	\$1,894.6	\$1,959.1	\$2,028.9
Federal share (millions).....	\$1,112.6	\$1,163.7	\$1,213.3

(b) *Medical assistance for the aged.*—The total number of recipients of assistance under this new program in 1962 is estimated to be 1.4 times greater than was estimated for 1961. The estimated average annual amount per recipient is the same for both 1961 and 1962.

	1961 estimate	1962 estimate
Number of recipients during year.....	201,000	483,000
Average annual payment per recipient on whose behalf payments are made.....	1 \$240	\$240
Total expenditures for assistance (Federal, State, and local) (millions).....	\$48.3	\$115.8
Federal share (millions).....	\$25	\$60

¹ For 9 months of operation the average amount should be somewhat below that for 12 months, depending upon the proportion of the total represented by long-term cases. On the other hand, it is believed that the plans approved in the first 9 months of operation will be for high-income States, which may be assumed to have more comprehensive programs and therefore higher costs per recipient on whose behalf payments are made. For this reason an average of \$240 was used.

(c) *Aid to dependent children.*—The average number of persons to receive assistance per month for 1962 is 2.2% higher than is estimated for 1961. The estimated average monthly payment per person is \$0.50 more than the estimate for 1961.

	1960 actual	1961 estimate	1962 estimate
Average number of recipients per month:			
Families.....	782,156	794,300	811,900
Children.....	2,281,143	2,332,500	2,384,100
Persons.....	2,964,839	3,025,400	3,092,400
Average monthly payment per person.....	\$28.70	\$29.50	\$30.00
Total expenditures for assistance (Federal, State, and local) (millions)....	\$1,021.1	\$1,071.3	\$1,113.8
Federal share (millions).....	\$612	\$633.9	\$651.6

(d) *Aid to the blind.*—The average number of recipients per month for 1962 is estimated at 0.5 percent less than was estimated for 1961. The estimated average monthly payment is \$1 more than the estimate for 1961.

	1960 actual	1961 estimate	1962 estimate
Average number of recipients per month.....	108,723	108,000	107,500
Average monthly payment.....	\$70.75	\$73.25	\$74.25
Total expenditures for assistance (Federal, State, and local) (millions).....	\$92.3	\$94.9	\$95.8
Federal share (millions).....	\$45.3	\$45.3	\$45.4

(e) *Aid to the permanently and totally disabled.*—The average monthly number of recipients is estimated to be 3.6% more than for 1961. The estimated average payment for 1962 is \$2.10 more than for 1961. The estimates

cover costs under the presently approved plans for 50 jurisdictions.

	1960 actual	1961 estimate	1962 estimate
Average number of recipients per month.....	351,422	361,700	374,700
Average monthly payment.....	\$64.31	\$66.80	\$68.90
Total expenditures for assistance (Federal, State, and local) (millions).....	\$271.2	\$290	\$309.9
Federal share (millions).....	\$152.7	\$160.6	\$170

2. *State and local administration.*—The grants to States include half the costs of State and local administration 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 58,500 (including 3,400 for medical assistance for the aged) State and local personnel.

Total costs in 1962 are estimated at \$28.3 million more than in 1961; \$14 million of this increase will come from Federal funds. The increases in costs are attributable primarily to (1) salary increases given to keep pace with rising living costs and to compete successfully with other professions and agencies for staff and (2) staff increases to handle the increased number of recipients including those who are to receive medical assistance under the new program; and to provide services to recipients directed toward self-care, self-support, and strengthened family life.

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
(a) Old-age assistance.....	120.1	126.6	131.4
(b) Medical assistance for the aged.....	.....	10.0	18.0
(c) Aid to dependent children.....	109.4	118.2	128.9
(d) Aid to the blind.....	7.9	8.3	8.8
(e) Aid to the permanently and totally disabled.....	31.7	36.7	41.0
Total expenditures (Federal, State, and local).....	269.1	299.8	328.1
Federal share.....	133.6	149.0	163.0

4. *Relation of costs to obligations.*—The relationship is derived by adjusting for advances during current year from next year's appropriation for obligations chargeable to next fiscal year, as follows (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year (amount obligated in current year for grants chargeable to appropriation for subsequent year).....	445,528	505,954	570,000	570,000
Selected resources at start of year (amount obligated in prior year for grants chargeable to appropriation for current year) (—).....	—445,528	—505,954	—570,000	—570,000
Adjustment between State expenditures and Federal grants advanced to States.....	—2,586	.....	.....	.....
Obligations incurred for costs of other years, net.....	.....	57,840	64,046	.....

HOSPITALIZATION AND SERVICES FOR REPATRIATED MENTALLY ILL AMERICAN NATIONALS

For necessary expenses of carrying out the provisions of the Act of July 5, 1960 (74 Stat. 308), and for care and treatment in accordance with the Acts of March 2, 1929, and October 29, 1941, as amended (24 U.S.C. 191a, 196a), \$364,000. (Public Law 86-571; 24 U.S.C. 191a, 196a.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Providing hospitalization and services for repatriated mentally ill American nationals (total costs—obligations).....	364
Financing:			
New obligational authority (appropriation).....	364

Public Law 86-571 (74 Stat. 308), approved July 5, 1960, provides for hospitalization and services to repatriated mentally ill American nationals until arrangements can be made for assumption of responsibility by State of residence or family.

This estimate provides for care of 60 repatriates expected to be received from abroad in 1962, and for continued care of 55 patients in Saint Elizabeths Hospital who have previously been repatriated and hospitalized. Two laws (24 U.S.C. 191a and 24 U.S.C. 196a) that have provided authority for Saint Elizabeths Hospital to care for some such patients will be repealed upon appropriation of funds for this program.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	20
12 Personnel benefits.....	2
21 Travel and transportation of persons.....	1
25 Other services.....	146
Services of other agencies.....	194
31 Equipment.....	1
Total obligations.....	364

Personnel Summary

Total number of permanent positions.....	.....	.....	3
Average number of all employees.....	.....	.....	2
Number of employees at end of year.....	.....	.....	3
Average GS grade.....	.....	.....	10.3
Average GS salary.....	.....	.....	\$8,216

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE

For expenses necessary for the Bureau of Public Assistance, [\$2,348,400] \$3,300,000. (42 U.S.C., ch. 7, subchs. I, IV, X, and XIV, and sec. 903; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Program policies and standards.....	524	584	929
2. Review State plans and grants, evaluate State operations.....	1,304	1,420	1,732
3. Collect and interpret statistics.....	208	278	408
4. Administration.....	231	237	231
Total program costs.....	2,267	2,519	3,300
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	.....	—14	.....
Obligations incurred for costs of other years, net.....	12	.....	.....
Total obligations.....	2,280	2,505	3,300
Financing:			
Unobligated balance lapsing.....	65	.....	.....
New obligational authority.....	2,345	2,505	3,300
New obligational authority:			
Appropriation.....	2,345	2,348	3,300
Proposed supplemental due to pay increases.....	.....	157	.....

The Bureau is responsible for the administration of five grant-in-aid programs: Old-Age Assistance, Medical As-

SOCIAL SECURITY ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE—Con.

sistance for the Aged, Aid to Dependent Children, Aid to the Blind, and Aid to the Permanently and Totally Disabled. Over 6 million individuals are expected to receive aid under these programs in 1962, involving nearly \$4 billion in Federal, State, and local funds—of which over \$2.2 billion will be Federal.

A supplemental appropriation for 1961 is anticipated under "Proposed for later transmission" to enable the Bureau to implement the Social Security Amendments of 1960.

1. *Program policies and standards.*—Requirements of the Social Security Act are interpreted and specialized technical assistance is provided. Constructive developmental work with State agencies results in achieving more effective and economical administration.

2. *Review State plans and grants, evaluate State operations.*—Action is taken on new State plans and on amendments thereto to assure conformity to the act; reviews are made of operations and findings are used to assist States in administering their programs; consultation and advice are provided on problems arising in day-to-day operations; grants are processed; information is provided to the public.

3. *Collect and interpret statistics.*—Information is collected in cooperation with State agencies, to provide national statistics on public assistance which are used by the Bureau and the States in formulating policies, planning program content, setting standards, making legislative recommendations, justifying appropriation requests, answering requests, and guiding administrative action.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$15 thousand; 1959 (adjusted), \$12 thousand; 1960, \$24 thousand; 1961, \$10 thousand; 1962, \$10 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,817	2,069	2,708
Positions other than permanent.....	28	26	40
Other personnel compensation.....	37	32	24
Total personnel compensation.....	1,882	2,127	2,772
12 Personnel benefits.....	126	154	202
21 Travel and transportation of persons.....	119	120	170
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	31	32	50
24 Printing and reproduction:			
Printing.....	19	13	20
Reproduction.....	23	20	33
25 Other services.....	21	6	6
Services of other agencies.....	13	15	16
26 Supplies and materials.....	12	11	15
31 Equipment.....	32	5	14
Total obligations.....	2,280	2,505	3,300

Personnel Summary

Total number of permanent positions.....	279	276	358
Full-time equivalent of other positions.....	6	3	5
Average number of all employees.....	258	265	341
Number of employees at end of year.....	271	268	348
Average GS grade.....	9.1	9.1	9.3
Average GS salary.....	\$7,295	\$7,927	\$8,061

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, **[\$2,360,500] \$2,668,000: 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. State and local health services for children.....	774	823	854
2. State and local social services for children.....	437	449	507
3. Technical assistance to States and communities for juvenile delinquency programs.....	164	250	273
4. Research in child life and services for children.....	274	351	400
5. Information for parents and others working with children.....	335	357	335
6. Administration.....	276	281	295
Total program costs.....	2,260	2,511	2,664
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-18	
Obligations incurred for costs of other years, net.....	18		4
Total obligations.....	2,278	2,493	2,668
Financing:			
Unobligated balance lapsing.....	22		
New obligational authority.....	2,300	2,493	2,668
New obligational authority:			
Appropriation.....	2,300	2,360	2,668
Proposed supplemental due to pay increases.....		133	

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 the child welfare services as for the child health services.

3. *Technical assistance to States and communities for juvenile delinquency programs.*—Consultation is given to States, communities, and organizations, both public and voluntary, on standards and methods for care and treatment of juvenile delinquents, on content of State or local programs, and on problems of organization and coordina-

tion 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 lay and professional 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.

7. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$14 thousand; 1960, \$32 thousand; 1961, \$14 thousand; 1962, \$18 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,681	1,906	2,030
Positions other than permanent.....	35	28	39
Other personnel compensation.....	16	11	2
Total personnel compensation.....	1,732	1,945	2,071
12 Personnel benefits.....	114	141	151
21 Travel and transportation of persons.....	155	169	196
22 Transportation of things.....	4	4	4
23 Rent, communications, and utilities.....	32	30	32
24 Printing and reproduction.....	152	163	163
25 Other services.....	3	3	4
Services of other agencies.....	46	16	21
26 Supplies and materials.....	17	15	16
31 Equipment.....	23	7	10
Total obligations.....	2,278	2,493	2,668

Personnel Summary

Total number of permanent positions.....	254	260	277
Full-time equivalent of other positions.....	4	4	5
Average number of all employees.....	230	237	249
Number of employees at end of year.....	233	235	254
Average GS grade.....	9.0	9.1	9.2
Average GS salary.....	\$7,465	\$8,179	\$8,311

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], \$51,833,000) V; 74 Stat. 995-997, \$54,833,000, of which \$20,000,000 shall be available for services for crippled children, [\$18,167,000] \$19,167,000 for maternal and child-health services, [and \$13,666,000] \$14,666,000 for child-welfare services, and \$1,000,000 for research or demonstration projects in child welfare: 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maternal and child health services.....	17,442	18,167	19,167
2. Crippled children's services.....	15,873	20,000	20,000
3. Child welfare services.....	12,902	13,666	14,666
4. Research or demonstration projects in child welfare.....			350
Total program costs.....	46,217	51,833	54,183
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			650
Total obligations (object class 41).....	46,217	51,833	54,833
Financing:			
Unobligated balance lapsing.....	283		
New obligational authority (appropriation)	46,500	51,833	54,833

The States are required to match one-half of the amounts appropriated for maternal and child health and crippled children's services. The remainder is distributed to the States in proportion to their financial need, except that not to exceed 12½ percent of the appropriations for the above programs is available for special project grants to State agencies and to public or nonprofit institutions of higher learning.

The States are required to match all appropriated funds for child welfare services but the percent of matching required varies from 33½ to 66%. No matching funds are required for the program of grants for research or demonstration projects in child welfare authorized by the Social Security Amendments of 1960.

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.

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 own homes in other States.

4. *Research or demonstration projects in child welfare.*—The Social Security Amendments of 1960 authorize grants to public or nonprofit institutions of higher learning or agencies and organizations engaged in research or child welfare activities for projects of regional or national significance or for those which demonstrate new facilities or methods which contribute to the advancement of child welfare. The \$1 million requested for this program represent an estimate of the full cost of projects that will be initiated in 1962, but which will extend into subsequent years. Actual costs are estimated at \$350 thousand in 1962 and \$650 thousand in subsequent years.

5. *Relation of costs to obligations.*—Year-end balance in 1962 for projects still in process is \$650 thousand.

SOCIAL SECURITY ADMINISTRATION—Continued**Current authorizations—Continued****COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS IN SOCIAL SECURITY**

For grants, contracts, and jointly financed cooperative arrangements for research or demonstration projects under section 1110 of the Social Security Act, as amended (42 U.S.C. 1310), **[\$350,000]** \$1,500,000. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants, contracts, and cooperative arrangements (total program costs).....		350	700
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			800
Total obligations (object class 41).....		350	1,500
Financing:			
New obligational authority (appropriation).....		350	1,500

The Social Security Act authorizes grants to States, grants to public and non-profit organizations and contracts or jointly financed cooperative arrangements for the conduct of research or demonstration projects in social security. 1961 was the first year funds were appropriated for this purpose.

Funds appropriated for this program in 1961 provide (a) for studies in several localities to lay the basis for a demonstration project which will explore a broad range of community services to help the needy become more self-sufficient; (b) for exploration and review of existing knowledge and research in several special aspects of social security; (c) for approximately six projects relating to dependency and possible methods for its reduction or elimination.

The \$1.5 million requested in 1962 represents an estimate of the full cost of projects that will be initiated in 1961 and 1962 but which will extend into subsequent fiscal years. Costs are estimated at \$700 thousand in 1962 and \$800 thousand in subsequent years. Estimated costs in 1962 will provide funds to continue several of the projects started in 1961 and initiate approximately four new projects.

Relation of costs to obligations.—Year-end balance in 1962 for projects still in process is \$800 thousand.

RESEARCH AND TRAINING (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under Title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, and for carrying out the functions of the Social

Security Administration under the International Health Research Act of 1960 (74 Stat. 364), to remain available until expended, \$2,213,000, which shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maternal and child health.....			293
2. Medical care for the aged.....			7
3. Social welfare.....			398
Total program costs.....			698
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			1,515
Total obligations (object class 25).....			2,213
Financing:			
New obligational authority (appropriation).....			2,213

The Agricultural Trade Development and Assistance Act of 1954, and the International Health Research Act of 1960 authorize the conduct of studies and research abroad in program matters for which the Social Security Administration has statutory responsibility in the United States. The estimate for 1962 contemplates the use of \$2.2 million in foreign currencies.

1. *Maternal and child health.*—Studies, research, research planning and research training in maternal and child health and handicapping conditions are proposed for six countries selected because of research opportunities in special health fields to gain knowledge of value to the United States, to the country involved, and internationally.

2. *Medical care for the aged.*—Studies of experiences of another country in providing medical services for the aged is proposed in order to obtain information which will help resolve problems of medical care programs for the aged in the United States.

3. *Social welfare.*—Studies of urban social welfare training programs, and specialized social services are proposed in seven countries selected because of country experiences in programs such as urban social welfare, community development of rural child welfare programs, programs to strengthen family life, juvenile delinquency, and various social security systems.

4. *Relation of costs to obligations.*—Year-end balance in 1962 for projects still in process is \$1,515 thousand.

SALARIES AND EXPENSES, OFFICE OF THE COMMISSIONER

For expenses necessary for the Office of the Commissioner of Social Security, **[\$350,800]** \$590,000, together with not to exceed **[\$278,000]** \$322,000 to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Direction and coordination of the social security program.....	285	330	332
2. Appraisal and development of the social security program.....	306	351	526
3. Administration of cooperative research program.....			54
Total program costs.....	591	681	912
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—12	
Obligations incurred for costs of other years, net.....	11		
Total obligations.....	602	669	912
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Authorized.....	—276	—278	—322
Proposed increase in limitation due to pay increases.....		—18	
Unobligated balance lapsing.....	11		
New obligational authority.....	337	373	590
New obligational authority:			
Appropriation.....	337	351	590
Proposed supplemental due to pay increases.....		22	

The Office of the Commissioner directs and coordinates the social security program; and performs basic research covering the broader phases 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.

3. *Administration of cooperative research program.*—Provision is made for administering a program of cooperative research or demonstration projects in social security.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3 thousand; 1959 (adjusted), \$2 thousand; 1960, \$13 thousand; 1961, \$1 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	511	574	736
Positions other than permanent.....			3
Total personnel compensation.....	511	574	739
12 Personnel benefits.....	34	42	55
21 Travel and transportation of persons.....	7	10	20
23 Rent, communications, and utilities.....	9	9	13
24 Printing and reproduction.....	17	16	27
25 Other services.....	10	10	35

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	7	7	10
31 Equipment.....	7	1	13
Total obligations.....	602	669	912
Personnel Summary			
Total number of permanent positions.....	65	66	94
Average number of all employees.....	63	64	85
Number of employees at end of year.....	63	66	94
Average GS grade.....	9.7	9.7	9.0
Average GS salary.....	\$7,943	\$8,723	\$8,494

SALARIES AND EXPENSES, WHITE HOUSE CONFERENCE ON CHILDREN AND YOUTH

For necessary expenses, for publication of reports, recommendations, guides, and other documents, provision of consultative or clearinghouse services, and other followup activities following the 1960 White House Conference on Children and Youth, including the expenses of continued employment of a conference director and other expenses incident to preparation of a final report of the President's national committee on such conference, \$150,000. (Act of Apr. 9, 1912, as amended, 42 U.S.C. ch. 6: Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
White House Conference on Children and Youth (total costs—obligations).....	198	150	
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation).....	200	150	

The White House Conference on Children and Youth was held March 27–April 2, 1960, in Washington. A formal report was submitted to the President in October and forum recommendations and Conference proceedings have been published. With the presentation of the report to the President by the President's National Committee on Children and Youth, all official Conference activities terminated. A successor nongovernmental committee (National Committee for Children and Youth) is working closely with the Children's Bureau and State committees on followup of Conference recommendations.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	104	84	
Positions other than permanent.....		2	
Other personnel compensation.....	4		
Total personnel compensation.....	108	86	
12 Personnel benefits.....	4	5	
21 Travel and transportation of persons.....	45	32	
23 Rent, communications, and utilities.....	8	3	
24 Printing and reproduction.....	11	20	
25 Other services: Services of other agencies.....	11	2	
26 Supplies and materials.....	8	2	
31 Equipment.....	3		
Total obligations.....	198	150	

SOCIAL SECURITY ADMINISTRATION—Continued**Current authorizations—Continued**

[SALARIES AND EXPENSES, WHITE HOUSE CONFERENCE ON CHILDREN AND YOUTH]—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	18	12	-----
Average number of all employees.....	14	10	-----
Number of employees at end of year.....	11	0	-----
Average GS grade.....	8.8	8.2	-----
Average GS salary.....	\$7,396	\$7,800	-----

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, 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, 1961.*)

Public enterprise funds:**OPERATING FUND, BUREAU OF FEDERAL CREDIT UNIONS****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Chartering.....	43	43	45
2. Supervision.....	562	535	560
3. Examination.....	2,400	3,097	3,365
4. Administration.....	110	127	135
Total operating costs.....	3,115	3,802	4,105
5. Unfunded adjustment to total operating costs: Depreciation included above (—)	—17	—18	—19
Total operating costs, funded.....	3,098	3,784	4,086
Capital outlay:			
6. Purchase of equipment.....	10	20	20
Total program costs, funded.....	3,108	3,804	4,106
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)	—4	-----	-----
Obligations incurred for costs of other years, net.....	-----	1	-----
Total obligations.....	3,104	3,805	4,106
Financing:			
Amounts becoming available: Revenue and receipts: Fees.....	3,306	3,817	4,210
Unobligated balance brought forward.....	630	782	794
Total amounts available.....	3,936	4,599	5,004
Capital transfer (repayment of investment to Treasury) (—)	—50	-----	-----
Unobligated balance carried forward.....	—782	—794	—898
Financing applied to program.....	3,104	3,805	4,106

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.

The Bureau finances its activities out of fees for services performed. These 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.

	1960 actual	1961 estimate	1962 estimate
Number of Federal credit unions chartered.....	741	700	700
Number of regular examinations.....	8,830	10,173	10,593
Number operating Federal credit unions as of December 31 of the previous calendar year.....	9,447	9,867	10,287
Assets of Federal credit unions as of December 31 of the previous calendar year (millions).....	\$2,353	\$2,730	\$3,140

Operating results.—Fees from receipts cover the cost of operations. Prior to the creation of the fund in 1953, a total of \$879 thousand of appropriations had been expended.

By June 30, 1962, retained earnings are expected to increase to \$1,052 thousand. This amount includes \$315 thousand on hand at the time the fund was created. The retained earnings represent 23% of expenses in 1962, compared with 25% in 1953.

7. **Relation of costs to obligations.**—The relationship is derived by year end balances of selected resources as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders.....	10	2	5	5
Travel advances.....	8	12	10	10
Total selected resources at end of year.....	18	14	15	15
Selected resources at start of year (—)	—18	—14	—15	—15
Costs financed from obligations of other years, net (—)	-----	—4	-----	-----
Obligations incurred for costs of other years, net.....	-----	-----	1	-----

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	10	20	20
Expense.....	3,098	3,784	4,086
Increase in selected working capital.....	27	-----	20
Total gross expenditures.....	3,135	3,804	4,126
Receipts from operations (funds provided):			
Revenue.....	3,306	3,817	4,210
Decrease in selected working capital.....	-----	19	-----
Total receipts from operations.....	3,306	3,836	4,210
Budget expenditures.....	—171	—32	—84

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Chartering program:			
Revenue.....	18	18	18
Expense.....	43	43	45
Net operating loss (—), chartering program.....	—25	—25	—27

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Examination program:			
Revenue.....	2,605	3,064	3,384
Expense.....	2,400	3,097	3,365
Net operating income or loss (-), examination program.....	205	-33	19
Supervision program:			
Revenue.....	683	735	808
Expense.....	672	662	695
Net operating income supervision program.....	11	73	113
Net income for the year.....	191	15	105
Retained earnings, beginning of year.....	741	932	947
Retained earnings, end of year.....	932	947	1,052

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	862	894	978
Accounts receivable, net.....	430	477	525
Travel advance.....	12	10	10
Equipment, net.....	138	140	141
Total assets.....	1,442	1,521	1,654
Liabilities:			
Current.....	508	572	600
Government investment:			
Interest-bearing capital:			
Start of year.....	50		
Repayment of investment to Treasury (-).....	-50		
End of year.....			
Non-interest-bearing capital:			
Capitalization of donated assets.....	3	2	2
Donated property returned to surplus.....	-1		
End of year.....	2	2	2
Retained earnings.....	932	947	1,052
Total Government investment.....	934	949	1,054

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	742	862	894	978
Obligated balance, net:				
Current liabilities.....	454	508	572	600
Unpaid undelivered orders.....	10	2	5	5
Accounts receivable, net, and cash in transit (-).....	-352	-430	-477	-525
Total obligated balance.....	112	80	100	80
Unobligated balance.....	630	782	794	898

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,340	2,835	3,081
Other personnel compensation.....	52	27	18
Total personnel compensation.....	2,392	2,862	3,099

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	159	222	241
21 Travel and transportation of persons.....	431	524	566
22 Transportation of things.....	8	15	16
23 Rent, communications, and utilities.....	32	35	38
24 Printing and reproduction.....	41	35	30
25 Other services.....	6	7	8
Services of other agencies.....	19	59	61
26 Supplies and materials.....	10	25	27
31 Equipment.....	10	20	20
Total costs.....	3,108	3,804	4,106
Costs financed from obligations of other years, net (-).....	-4		
Obligations incurred for costs of other years, net.....		1	
Total obligations.....	3,104	3,805	4,106

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	383	453	477
Average number of all employees.....	365	429	454
Number of employees at end of year.....	374	453	477
Average GS grade.....	8.3	8.1	8.3
Average GS salary.....	\$6,263	\$6,515	\$6,687

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Providing employer statistics and related services:			
Department of Commerce:			
Bureau of the Census.....	32	32	32
Office of Business Economics.....	26	20	20
Department of Labor (Wage and Hour and Public Contracts Divisions).....	10	10	10
Treasury Department (Bureau of Accounts).....	22	9	
Bureau of Federal Credit Unions.....	8	7	7
2. Providing earnings record, benefit, employer and related data:			
Railroad Retirement Board.....	40	41	41
Veterans Administration.....	39	35	35
Department of Justice (Immigration and Naturalization Service).....	7	7	7
Internal Revenue Service.....	23	20	20
3. Registration of Federal employees: Civil Service Commission.....			76
4. Terminal leave repayments and recovery of jury duty fees.....	13	13	13
5. Providing employment and earnings record information and miscellaneous services to other accounts.....	265	243	239
6. Providing technical consultation for Indians in pediatrics and maternal and child health services (Indian health activities, Public Health Service).....	28	32	35
7. Providing nursing consultation on staphylococcal infection.....	6		
8. Making study of incidence cystic fibrosis.....	36	30	72
9. Making joint study of juvenile delinquency.....	32		
10. Participating in White House Conference on Aging programs.....	18	21	
11. Reimbursement for travel services.....	5	11	9
Total obligations.....	610	531	616

SOCIAL SECURITY ADMINISTRATION—Continued**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Program and Financing (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	5	6	
Advances and reimbursements from—			
Other accounts.....	350	282	382
Non-Federal sources (40 U.S.C. 481(c)).....	261	243	234
Unobligated balance carried forward.....	-6		
Total financing.....	610	531	616

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	395	380	445
Positions other than permanent.....	18		7
Other personnel compensation.....	43	32	27
Total personnel compensation.....	456	412	479
12 Personnel benefits.....	27	28	33
21 Travel and transportation of persons.....	11	13	14
23 Rent, communications, and utilities.....	52	45	45
24 Printing and reproduction.....	25	21	14
25 Other services.....	27	1	21
26 Supplies and materials.....	12	10	10
Total obligations.....	610	531	616

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	80	83	94
Full-time equivalent of other positions.....	2		1
Average number of all employees.....	75	71	85
Number of employees at end of year.....	84	81	84
Average GS grade.....	5.8	5.1	4.5
Average GS salary.....	\$5,286	5,402	\$5,160

Proposed for later transmission:**LIMITATION ON SALARIES AND EXPENSES, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE**

Under existing legislation, 1961.—A \$17,375 thousand increase in the Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance, is anticipated in 1961 to process the increased workloads resulting from the enactment of Public Law 86-778, the Social Security Amendments of 1960.

LIMITATION ON CONSTRUCTION, BUREAU OF OLD-AGE AND SURVIVORS INSURANCE

Under existing legislation, 1961.—An increase of \$320 thousand in the existing Limitation on construction is needed for the purchase of approximately 27 acres of additional land adjacent to the present site for possible future expansion.

GRANTS TO STATES FOR PUBLIC ASSISTANCE**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
State expenditures:			
1. Payments to or on behalf of recipients:			
(a) Old-age assistance.....		58,000	
(b) Medical assistance for the aged.....		25,000	
(c) Aid to dependent children.....		-4,800	
(e) Aid to the permanently and totally disabled.....		-7,200	
2. State and local administration:			
(a) Old-age assistance.....		1,000	
(b) Medical assistance for the aged.....		5,000	
Total program costs—obligations.....		77,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		77,000	

Under existing legislation, 1961.—It is estimated that a supplemental appropriation of \$77 million will be required for 1961 to meet the net additional public assistance costs resulting from the Social Security amendments of 1960. These included amendments to title I of the Social Security Act that increased public assistance costs and amendments to the insurance provisions of the act that will reduce public assistance costs below what they would otherwise have been.

SALARIES AND EXPENSES, BUREAU OF PUBLIC ASSISTANCE**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Program policies and standards.....		135	
2. Review State plans and grants, evaluate State operations.....		105	
3. Collect and interpret statistics.....		60	
Total program costs—obligations.....		300	
Financing:			
New obligational authority (proposed supplemental appropriation).....		300	

Under existing legislation, 1961.—An estimated supplemental of \$300 thousand is to enable the Bureau to implement the Social Security Amendments of 1960 (Public Law 86-778). These amendments, effective October 1, 1960, increase the Bureau's workload and responsibilities because they require the Bureau to: (1) administer the new program of Medical Assistance for the Aged, (2) administer new provisions increasing Federal financial participation in the medical care provisions of Old-Age Assistance, (3) develop medical care guides and standards, publish reports on the level, content and quality of medical care and services furnished by States to recipients of public assistance and Medical Assistance for the Aged, and

(4) administer other new provisions relating to public assistance.

MEDICAL BENEFITS FOR THE AGED
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Providing medical benefits for the aged (total obligations).....			25,000
Financing:			
New obligational authority (proposed supplemental appropriation).....			25,000

Under proposed legislation, 1962.—Legislation is proposed to broaden medical care for the aged program enacted in 1960 to provide an opportunity for obtaining assured protection against catastrophic medical costs to an estimated total of 11 million persons. The \$25 million in the budget for 1962 represents the estimated Federal share of grants to States for the initial phase of a program which will involve estimated added Federal expenditures of about \$500 million per year by 1965.

SPECIAL INSTITUTIONS

Current authorizations:

AMERICAN PRINTING HOUSE FOR THE BLIND
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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants for educational materials (total costs—obligations) (object class 41).....	400	400	400
Financing:			
New obligational authority (appropriation).....	400	400	400

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 and its possessions.

It is estimated that 15,800 blind students will be served by this program in 1962, compared with 14,762 in 1961 and 13,491 in 1960.

The Printing House also receives \$10 thousand annually from the Treasury Department under the appropriation, To promote the education of the blind, principal account, Bureau of Accounts.

GALLAUDET COLLEGE
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),

[\$994,000] \$1,200,000: *Provided,* That Gallaudet College shall be paid by the District of Columbia, in advance at the beginning of each quarter, at [the] a rate [of] not less than \$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).

For an additional amount for "Salaries and expenses", \$80,000: *Provided,* That said appropriation shall be available for pay increases for employees of Gallaudet College, comparable to those provided by the Federal Employees Salary Increase Act of 1960, granted by administrative action, which may be effective on the same date as the pay increases provided by that Act. (*Department of Health, Education, and Welfare Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General administration.....	90	96	99
2. Resident instruction and departmental research:			
(a) Gallaudet College.....	592	665	738
(b) Kendall School.....	106	128	140
3. General library.....	69	64	80
4. Operation and maintenance of physical plant.....	266	308	335
5. Auxiliary services and noneducational expense.....	254	257	261
Total obligations.....	1,377	1,518	1,653
Financing:			
Advances and reimbursements from non-Federal sources.....	-473	-444	-453
New obligational authority (appropriation)	904	1,074	1,200

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.

	1960 actual	1961 estimate	1962 estimate
Gallaudet College, full-time enrollment.....	350	361	373
Gallaudet College, summer school and special sessions.....	69	87	85
Kendall School, full-time enrollment.....	88	93	93

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	918	1,117	1,202
Positions other than permanent.....	56	33	36
Other personnel compensation.....	6	3	3
Total personnel compensation.....	980	1,153	1,241
12 Personnel benefits.....	61	81	87
21 Travel and transportation of persons.....	9	5	7
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	38	36	39
24 Printing and reproduction.....	2		
25 Other services.....	49	40	43
26 Supplies and materials.....	219	193	214
31 Equipment.....	39	33	45
Subtotal.....	1,398	1,542	1,677
Deduct quarters and subsistence charges.....	21	24	24
Total obligations.....	1,377	1,518	1,653

SPECIAL INSTITUTIONS—Continued

Current authorizations—Continued

GALLAUDET COLLEGE—Continued

SALARIES AND EXPENSES—continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	196	209	217
Full-time equivalent of other positions.....	11	6	6
Average number of all employees.....	195	208	216
Number of employees at end of year.....	196	209	217
Average salary of ungraded positions.....	\$4,968	\$5,502	\$5,705

CONSTRUCTION

For construction, alteration, renovation, equipment, and 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, including planning, architectural, and engineering services, [an auditorium, a classroom and dormitory building, Kendall School, maintenance building, apartments, roads, walks, and grading, \$2,512,000] \$127,000, to remain available until expended. (Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Design, supervision, etc.....	90	98	23
2. Construction.....	244	2,101	202
3. Major repair and preservation of buildings and grounds.....	126	168	89
Total obligations.....	460	2,367	314
Financing:			
Unobligated balance brought forward.....	-130	-37	-196
Unobligated balance carried forward.....	37	196	9
Unobligated balance lapsing.....	14		
New obligational authority.....	381	2,526	127
New obligational authority:			
Appropriation.....	325	2,512	127
Reappropriation.....	56	14	

A construction program designed to replace aging buildings and provide modern facilities to accommodate increased enrollments was begun in 1956. Structures for which funds were appropriated through 1959 as well as plans and specifications for the remaining projects have been completed. Funds were appropriated in 1960 for athletic fields and stands and for major renovation and repair of existing buildings. Appropriations for 1961 provide for the construction of an auditorium, Kendall School facilities, and other items, together with additional renovation and repair projects. The 1962 estimate continues the renovation and repair projects and provides for special laboratory equipment in the Classroom-Science Building.

The following table shows appropriations through 1961 and the estimate for 1962 (in thousands of dollars).

Project	1956-1959	1960	1961	1962
Women's residence hall.....	692			
Physical activities-heating plant building.....	1,534			
Classroom-science building.....	1,543		35	35
Speech and hearing center.....	444			
Boiler and laundry equipment.....	510			
Cafeteria and service building.....	935	25		
Men's residence hall.....	655			
Auditorium.....			775	
Classrooms and dormitories—Kendall School.....			1,127	
Athletic fields and stands.....		150		
Maintenance buildings.....			90	
Outside services, roads, walks, and grading.....	150		255	
Major repairs and renovation.....		150	150	92
Plans and specifications.....	123			
Field house.....			80	
Total.....	6,585	325	2,512	127

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	2	19	2
25 Other services.....	76	78	29
26 Supplies and materials.....	12		
31 Equipment.....	55	36	54
32 Lands and structures.....	315	2,234	229
Total obligations.....	460	2,367	314

HOWARD UNIVERSITY

SALARIES AND EXPENSES

For the partial support of Howard University, including personal services and miscellaneous expenses and repairs to buildings and grounds, [\$5,090,000] \$6,257,000.

[For an additional amount for "Salaries and expenses", \$400,000: Provided, That said appropriation shall be available for pay increases for employees of Howard University, comparable to those provided by the Federal Employees Salary Increase Act of 1960, granted by administrative action, which may be effective on the same date as the pay increases provided by that Act.] (Department of Health, Education, and Welfare Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General administration.....	889	969	1,004
2. Resident instruction and departmental research.....	4,560	5,420	6,170
3. Organized research.....	716	800	800
4. University libraries.....	236	255	362
5. Operation and maintenance of physical plant.....	1,125	1,278	1,278
6. Auxiliary enterprises.....	1,183	1,225	1,225
7. Student aid.....	378	410	410
Total obligations.....	9,087	10,357	11,249
Financing:			
Advances and reimbursements from—			
Other accounts.....	-415	-463	-511
Non-Federal sources.....	-4,055	-4,404	-4,481
New obligational authority (appropriation).....	4,617	5,490	6,257

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, physics, zoology, and physiology), and eight professional schools. Federal funds provide approximately 55.6% of the operating costs.

1. *General administration.*—The University is administered by a private board of trustees and staff of officers.

2. *Resident instruction and departmental research.*—This activity includes all direct expenditures for the operation of the educational program in the 10 schools and colleges.

3. *Organized research.*—This activity includes expense incurred for 140 research projects financially supported by outside organizations in 1960 and for an estimated 155 projects in 1961 and 1962.

4. *University libraries.*—The general library serves the needs of 10 schools and colleges, and supervises, in part, the professional collections.

5. *Operation and maintenance of physical plant.*—The operation and maintenance staff services 41 buildings located on the University's 60-acre campus.

6. *Auxiliary enterprises.*—The dormitories, food service, bookstores, and athletic program included under this activity are intended to be self-supporting and render service at the lowest possible cost.

7. *Student aid.*—This activity represents costs of non-educational programs including the student-aid program.

	1960 actual	1961 estimate	1962 estimate
Gross enrollments.....	6,507	6,778	7,057

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,016	6,160	6,852
Positions other than permanent.....	1,065	1,105	1,107
Other personnel compensation.....	8	9	9
Total personnel compensation.....	6,089	7,274	7,968
12 Personnel benefits.....	337	396	488
13 Benefits for former personnel.....	22	24	24
21 Travel and transportation of persons.....	97	99	99
22 Transportation of things.....	5	4	4
23 Rent, communications, and utilities.....	261	263	263
24 Printing and reproduction.....	68	64	64
25 Other services.....	519	478	455
26 Supplies and materials.....	998	953	989
31 Equipment.....	282	354	447
41 Grants, subsidies, and contributions.....	409	448	448
Total obligations.....	9,087	10,357	11,249

Personnel Summary

Total number of permanent positions.....	972	1,090	1,176
Full-time equivalent of other positions.....	262	256	256
Average number of all employees.....	1,234	1,346	1,432
Number of employees at end of year.....	1,665	1,783	1,867
Grades established by board of trustees: Instructional grades: Average salary.....	\$6,798	\$7,433	\$7,679
Grades comparable to general schedule grades: Average grade.....	5.2	5.3	5.3
Average salary.....	\$4,579	\$5,056	\$5,113
Average salary of ungraded positions.....	\$2,987	\$3,354	\$3,404

PLANS AND SPECIFICATIONS

For necessary expenses for the preparation of plans and specifications for construction, under the supervision of the General Services

Administration, on the grounds of Howard University, of a [classroom building and a women's dormitory] men's dormitory, a warehouse service building, and site planning, including architectural and engineering services, [\$225,000] \$211,000, to remain available until expended. (20 U.S.C. 123; Department of Health, Education and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Men's dormitory No. 4.....			139
2. Site planning details.....			20
3. Warehouse service building.....			52
4. Classroom building No. 2.....		95	10
5. Physical education building.....	42	2	13
6. Women's dormitory No. 7.....		108	12
7. Home economics building.....	7	1	
8. Powerplant survey.....	20	1	
Total obligations.....	69	207	245
Financing:			
Unobligated balance brought forward.....	-57		-34
Unobligated balance carried forward.....		34	
Unobligated balance lapsing.....	16		
New obligational authority.....	28	241	211
New obligational authority:			
Appropriation.....	21	225	211
Reappropriation.....	7	16	

A master development plan, plans and specifications for 12 building projects, 1 survey, and 1 alteration project have been authorized and completed. Plans and specifications for a women's dormitory building and a classroom building are underway and are expected to be completed by the end of 1962. The 1962 estimate provides for the planning of a men's dormitory, a warehouse service building, and site details.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1	1	1
25 Other services.....	68	206	245
Total obligations.....	69	207	245

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. Appropriations of \$12,183 thousand have been made to liquidate \$12,718 thousand in contract authorizations, leaving a balance of \$535 thousand for the auditorium-fine arts building. The following table sets forth the construction program through 1962 and the estimated obligational authority available (in thousands of dollars).

SPECIAL INSTITUTIONS—Continued

Current authorizations—Continued

HOWARD UNIVERSITY—Continued

CONSTRUCTION PROGRAM—continued

Project	Total ob- ligational authority	Status of project
1. Physical education building.....	3,947	Construction to start in 1962.
2. Powerplant facilities—electrical dis- tribution.....	500	Installation in 1962.
3. Home economics building.....	1,105	Construction to start in 1961.
4. Auditorium-fine arts building.....	4,128	To be completed in 1961.
5. Dental building.....	3,258	Completed. ¹
6. Powerplant facilities—steam.....	328	Installation in 1961.
7. Power substation.....	272	Completed.
8. Preclinical medical building.....	4,436	Completed.
9. Administration building.....	1,534	Completed.
10. Men's dormitory.....	1,898	Completed.
11. Biology-greenhouse building.....	1,770	Completed.
12. Engineering building.....	2,119	Completed.
13. Law school building.....	1,302	Completed.
14. Pharmacy building.....	904	Completed.
15. Powerplant boiler and engine.....	400	Completed.
16. Repairs to powerplant.....	100	Completed.
17. Science hall building.....	307	Completed.
18. Telephone duct system.....	122	Completed.
19. Vacuum pump.....	20	Completed.
20. Women's dormitory.....	1,750	Completed.
Total.....	30,202	

¹ Except for 1 item of equipment.

The 1962 estimate provides for a physical education building and completion of powerplant facilities and renovations.

The estimate also provides cash to liquidate obligations incurred under contract authority previously granted by law to meet cost increases for the auditorium-fine arts building. Construction delays and unforeseen subsoil conditions made necessary the obligation of an additional \$95 thousand. The remaining balance of \$440 thousand will be administratively rescinded.

CONSTRUCTION OF BUILDINGS

For the construction and equipment of a [home economics] physical education building and powerplant facilities under the supervision of the General Services Administration, on the grounds of Howard University, including engineering and architectural services and travel, [\$1,433,000] \$4,447,000, to remain available until expended. (20 U.S.C. 123; Department of Health, Education and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Physical education building.....			3,947
2. Powerplant facilities—electrical distribu- tion.....			500
3. Home economics building.....		864	247
4. Auditorium-fine arts building.....	112	110	
5. Dental building.....	5	18	
6. Powerplant facilities—steam.....		328	
7. Powerplant substation.....	1	7	
8. Preclinical medical building.....	6	2	
9. Administration building.....	3		
10. Men's dormitory.....	5		
Total obligations.....	132	1,329	4,694
Financing:			
Unobligated balance brought forward.....	-278	-145	-247
Unobligated balance carried forward.....	145	247	
Unobligated balance lapsing.....	2	3	
New obligational authority.....		1,435	4,447

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....		1,433	4,447
Reappropriation.....		2	

Object Classification (in thousands of dollars)

HOWARD UNIVERSITY			
25 Other services.....		9	9
31 Equipment.....	7	45	11
32 Lands and buildings.....	3		
Total, Howard University.....	10	54	20
ALLOCATION TO PUBLIC BUILDINGS SERVICE			
24 Printing and reproduction.....		8	16
25 Other services.....	53	58	153
26 Supplies and materials.....	46		
31 Equipment.....	14	108	536
32 Lands and structures.....	9	1,101	3,969
Total, Public Buildings Service.....	122	1,275	4,674
Total obligations.....	132	1,329	4,694

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, \$95,000. (61 Stat. 266, 62 Stat. 398.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Auditorium-fine arts building (total obliga- tions).....		95	
Financing:			
Unobligated balance brought forward: Con- tract authorization.....	-535	-535	-440
Unobligated balance carried forward: Con- tract authorization.....	535	440	
Unobligated balance lapsing (contract author- ization).....			440
New obligational authority (contract authorization).....			

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	1,395	535	535
Unfunded balance carried forward.....	-535	-535	
Unfunded balance lapsing.....			440
Appropriation to liquidate contract auth- orization.....	860		95

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....		23	
31 Equipment.....		72	
Total obligations.....		95	

CONSTRUCTION OF MEN'S DORMITORY (LIQUIDATION OF CONTRACT AUTHORIZATION)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Men's dormitories (total obligations) (object class 25).....	12	13	
Financing:			
Unobligated balance brought forward.....	-191	-13	
Unobligated balance carried forward.....	13		
Unobligated balance lapsing.....	166		
New obligatory authority (contract authorization).....			

OFFICE OF THE SECRETARY

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Secretary, **[\$2,077,000]** \$2,382,000, together with not to exceed **[\$305,000]** \$352,000 to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction and program coordination.....	797	837	930
2. Public information.....	137	154	159
3. Administrative and financial management.....	1,420	1,544	1,645
Total program costs.....	2,354	2,535	2,734
4. Relation of costs to obligations: Obligations incurred for costs of other years.....	3		
Total obligations.....	2,357	2,535	2,734
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts): Federal old-age and survivors insurance trust fund:			
Authorized limitation.....	-303	-305	-352
Proposed increase in limitation due to pay increases.....		-21	
Unobligated balances lapsing.....	7		
New obligatory authority.....	2,061	2,209	2,382
New obligatory authority:			
Appropriation.....	2,061	2,077	2,382
Proposed supplemental due to pay increases.....		132	

1. *Executive direction and program coordination.*—Over-all direction and coordination are given to all activities of the Department. Staff assistance is provided to develop the Department's legislative programs; to analyze the Department's programs and goals, including identification of current and emerging problems; to appraise Federal-State relationships; to coordinate Department activities

concerning problems affecting the aging population; and to aid the Secretary in carrying out the Department's responsibilities with respect to international activities and the special institutions. Services are also provided for defense emergency operations plans of the Department and for internal security functions.

2. *Public information.*—The office of public information 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.*—Staff advice is provided to the Secretary and guidance is furnished to the operating agencies with regard to administrative and financial management, personnel, property and records management, office services, organization, staffing, and control problems. This activity includes the Department library which supplies headquarters staff with library materials and related services. Financial management including analyses of departmental program budgets, development of fiscal policies and procedures, and conduct of internal audits is provided. In addition, certain direct administrative and financial services are furnished the operating agencies as well as to the Office of the Secretary.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$10 thousand; 1959 (adjusted), \$9 thousand; 1960, \$12 thousand; 1961, \$12 thousand; 1962, \$12 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,921	2,106	2,270
Positions other than permanent.....	22	10	10
Other personnel compensation.....	68	42	33
Total personnel compensation.....	2,011	2,158	2,313
12 Personnel benefits.....	128	152	163
21 Travel and transportation of persons.....	30	37	40
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	35	35	37
24 Printing and reproduction.....	40	53	55
25 Other services.....	45	45	49
26 Supplies and materials.....	37	30	32
31 Equipment.....	30	25	45
Total obligations.....	2,357	2,535	2,734

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	288	288	314
Full-time equivalent of other positions.....	5	2	2
Average number of all employees.....	271	271	293
Number of employees at end of year.....	290	281	307
Average GS grade.....	8.3	8.3	8.3
Average GS salary.....	\$7,036	\$7,618	\$7,708

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION

For expenses necessary for the Office of Field Administration, **[\$2,762,000]** \$3,363,000, together with not to exceed **[\$942,000]** \$1,247,000 to be transferred from the Federal old-age and survivors insurance trust fund and not to exceed **[\$36,000]** \$38,000 to be transferred from the Operating fund, Bureau of Federal Credit Unions. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

OFFICE OF THE SECRETARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Field administration.....	1,972	2,232	2,691
2. Grant-in-aid audits.....	1,393	1,567	1,697
3. State merit systems.....	218	242	257
Total program costs.....	3,583	4,041	4,645
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—57	
Obligations incurred for costs of other years, net.....	53		3
Total obligations.....	3,636	3,984	4,648
Financing:			
Advances and reimbursements from non-Federal sources (annual appropriation acts):			
Federal old-age and survivors insurance trust fund:			
Authorized limitation.....	—926	—942	—1,247
Proposed increase in limitation due to pay increase.....		—60	
Operating fund, Bureau of Federal Credit Unions:			
Authorized limitation.....		—36	—38
Proposed increase in limitation due to pay increases.....		—2	
Unobligated balance lapsing.....	25		
New obligational authority.....	2,735	2,944	3,363
New obligational authority:			
Appropriation.....	2,735	2,762	3,363
Proposed supplemental due to pay increases.....		182	

The Secretary is represented in each of the regions by a regional director who is responsible for carrying out departmental policies and for leadership, coordination, evaluation, and administrative supervision of all program representatives from the various operating agencies who are located in the regional offices.

The Social Security Amendments of 1960, Public Law 86-778, approved September 13, 1960, expands the workload and hence the employment of the Social Security Administration. A proposed increase in the limitation on funds from the Federal old-age and survivors insurance trust fund to cover the cost of increased administrative services for the expanded field employment of the Social Security Administration is anticipated. It is included under the Proposed for later transmission section.

1. *Field administration.*—This activity includes review, evaluation, and coordination of Department program operations conducted through the regional offices as well as personnel, fiscal, and office services for approximately 18,000 regional employees.

2. *Grant-in-aid audits.*—The Division audits 33 grant-in-aid programs to determine whether these grants were expended by the States, local subdivisions and nonprofit organizations for the purposes for which they were appropriated. In addition, it audits State activities in the utilization of Federal surplus property. There will be an incoming workload of about 1,800 audits in 1961, and 2,000 in 1962 as compared with 1,597 in 1960.

3. *State merit systems.*—Seventeen various grants-in-aid are made to States contingent upon compliance with Federal regulations and standards relating to State personnel administration. The division reviews 70 State merit systems in 290 State agencies administering grant programs and also renders technical services concerning increased efficiency of personnel administration to requesting States.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$21 thousand; 1959 (adjusted), \$17 thousand; 1960, \$70 thousand; 1961, \$13 thousand; 1962, \$16 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,875	3,213	3,733
Positions other than permanent.....	13	12	12
Other personnel compensation.....	48	17	4
Total personnel compensation.....	2,936	3,242	3,749
12 Personnel benefits.....	196	248	287
21 Travel and transportation of persons.....	194	213	243
22 Transportation of things.....	5	6	6
23 Rent, communications, and utilities.....	120	139	203
24 Printing and reproduction.....	17	13	13
25 Other services.....	19	22	23
26 Supplies and materials.....	76	92	103
31 Equipment.....	73	9	21
Total obligations.....	3,636	3,984	4,648

Personnel Summary

Total number of permanent positions.....	512	527	613
Full-time equivalent of other positions.....	4	3	3
Average number of all employees.....	473	487	562
Number of employees at end of year.....	487	492	578
Average GS grade.....	7.2	7.3	7.3
Average GS salary.....	\$6,000	\$6,530	\$6,589

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, **[\$751,000]** \$862,000. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Surplus property utilization (total program costs).....	694	789	861
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—3	
Obligations incurred for costs of other years, net.....			1
Total obligations.....	694	786	862
Financing:			
Unobligated balance lapsing.....	9		
New obligational authority.....	703	786	862
New obligational authority:			
Appropriation.....	703	751	862
Proposed supplemental due to pay increases.....		35	

Under the Federal Property and Administrative Services Act of 1949, as amended, the Secretary (a) allocates needed surplus personal property to State agencies for educational, public health, and civil defense purposes; (b) transfers surplus real property for educational and public health purposes, subject to disapproval by the Administrator of the General Services Administration; (c) administers the rights of the United States under the terms and conditions of transfer; and (d) promulgates regulations governing the operation of the program and enforces such regulations.

The following table shows actual and anticipated property allocations to schools, hospitals, and civil defense agencies through operation of the program:

ACQUISITION COST OF PROPERTY

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Personal property allocations.....	401	440	500
Real property transfers.....	23	30	30

Collections are estimated from sales, abrogations, and penalties on compliance cases at \$500 thousand in 1961 and 1962, compared to \$557 thousand in 1960.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3 thousand; 1959 (adjusted), \$4 thousand; 1960, \$4 thousand; 1961, \$1 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	564	647	706
Positions other than permanent.....	2		
Other personnel compensation.....	4	3	
Total personnel compensation.....	570	650	706
12 Personnel benefits.....	38	49	53
21 Travel and transportation of persons.....	45	53	65
23 Rent, communications, and utilities.....	23	23	24
24 Printing and reproduction.....	6	3	3
25 Other services.....	1	2	3
26 Supplies and materials.....	7	5	6
31 Equipment.....	4	2	2
Total obligations.....	694	786	862

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	91	102	108
Average number of all employees.....	86	90	97
Number of employees at end of year.....	86	92	100
Average GS grade.....	7.8	7.8	7.9
Average GS salary.....	\$6,455	\$6,938	\$7,044

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL

For expenses necessary for the Office of the General Counsel, **[\$600,000]** \$713,000, together with not to exceed **[\$27,000]** \$29,000 to be transferred from the appropriation "Salaries and expenses, certification, inspection, and other services", and not to exceed **[\$552,000]** \$667,000 to be transferred from the Federal old-age and survivors insurance trust fund. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Supervisory and general legal services.....	278	281	300
2. Departmental program activities:			
(a) Public health.....	85	94	99
(b) Food and drug.....	160	203	203
(c) Old-age and survivors insurance.....	176	211	271
(d) Welfare and education.....	97	114	135
3. Regional and field.....	332	358	401
Total program costs.....	1,128	1,261	1,409
4. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-5		
Total obligations.....	1,123	1,261	1,409
Financing:			
Advances and reimbursements from—			
Non-Federal sources (annual appropriation acts): Federal old-age and survivors insurance trust fund:			
Authorized limitation.....	-510	-552	-667
Proposed increase in limitation due to pay increases.....		-38	
Other accounts (annual appropriation acts): Food and Drug Administration:			
Authorized limitation.....	-27	-27	-29
Proposed increase in limitation due to pay increases.....		-2	
Unobligated balance lapsing.....	4		
New obligatory authority.....	590	642	713
New obligatory authority:			
Appropriation.....	590	600	713
Proposed supplemental due to pay increases.....		42	

The Office of the General Counsel acts as legal adviser to the Secretary, the regional office staffs, and the operating agencies of the Department. The estimate for 1962 reflects an increased workload resulting from the expansion of the old-age and survivors insurance program, the Social Security Amendments of 1960, public health, and legislative activities.

Public Law 86-778, approved September 13, 1960, extends the Social Security Act and imposed certain additional workloads upon this Office, and this will occasion a supplemental in 1961.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$15 thousand; 1959 (adjusted), \$14 thousand; 1960, \$9 thousand; 1961, \$9 thousand; 1962, \$9 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	982	1,134	1,270
Other personnel compensation.....	8	4	
Total personnel compensation.....	990	1,138	1,270
12 Personnel benefits.....	63	78	86
21 Travel and transportation of persons.....	16	11	16
22 Transportation of things.....	2		

OFFICE OF THE SECRETARY—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	7	6	7
24 Printing and reproduction.....	2	1	1
25 Other services.....	7	6	6
26 Supplies and materials.....	13	8	9
31 Equipment.....	23	12	14
Total obligations.....	1,123	1,261	1,409

Personnel Summary

Total number of permanent positions.....	140	151	174
Average number of all employees.....	130	143	162
Number of employees at end of year.....	138	146	169
Average GS grade.....	9.1	9.1	8.9
Average GS salary.....	\$7,332	\$7,977	\$7,759

【WHITE HOUSE CONFERENCE ON AGING】

【For necessary expenses in carrying out the provisions of the White House Conference on Aging Act, including rent in the District of Columbia, \$760,000.】 (72 Stat. 1746; Department of Health, Education, and Welfare Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Grants to States.....	769	41	
2. Technical assistance to States and planning of conference.....	437	809	
Total program costs.....	1,206	850	
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—24	
Obligations incurred for costs of other years, net.....	12		
Total obligations.....	1,218	826	
Financing:			
Unobligated balance brought forward.....	—810	—41	
Unobligated balance carried forward.....	41		
Unobligated balance lapsing.....	3		
New obligational authority.....	452	785	
New obligational authority:			
Appropriation.....	452	760	
Proposed supplemental due to pay increases.....		25	

Funds provided in 1961 cover technical assistance to the States, planning and conducting the national conference in January 1961, and needed follow-up work upon completion of the conference.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$14 thousand; 1959 (adjusted), \$12 thousand; 1960, \$24 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	176	232	
Positions other than permanent.....	15	105	
Other personnel compensation.....	4	4	
Total personnel compensation.....	195	341	
12 Personnel benefits.....	8	17	
21 Travel and transportation of persons.....	61	235	
22 Transportation of things.....	1	1	
23 Rent, communications, and utilities.....	10	11	
24 Printing and reproduction.....	46	54	
25 Other services.....	118	118	
26 Supplies and materials.....	4	4	
31 Equipment.....	6	4	
41 Grants, subsidies, and contributions.....	769	41	
Total obligations.....	1,218	826	

Personnel Summary

Total number of permanent positions.....	31	31	
Full-time equivalent of other positions.....	2	12	
Average number of all employees.....	27	42	
Number of employees at end of year.....	35	36	
Average GS grade.....	8.7	8.8	
Average GS salary.....	\$7,005	\$7,702	

Intragovernmental funds:

WORKING CAPITAL FUND

【The paragraph under this head in the Federal Security Agency Appropriation Act, 1953 (66 Stat. 369) is amended to read as follows:】

【Working capital fund: There is hereby established a working capital fund, to be available without fiscal year limitation, for expenses necessary for the maintenance and operation of (1) a central reproduction service; (2) a central visual exhibit service; (3) a central supply service for supplies and equipment for which adequate stocks may be maintained to meet in whole or in part the requirements of the Department; (4) a central tabulating service; (5) telephone, mail, and messenger services; (6) a central accounting and payroll service; and (7) a central laborers' service: *Provided*, That any stocks of supplies and equipment on hand or on order shall be used to capitalize such fund: *Provided further*, That such fund shall be reimbursed in advance from funds available to bureaus, offices, and agencies for which such centralized services are performed at rates which will return in full all expenses of operation, including reserves for accrued annual leave and depreciation of equipment.】 (Department of Health, Education, and Welfare Appropriation Act, 1961.)

The fund, in addition to its basic authority for providing reproduction, tabulating, and supply services on a central basis for department headquarters (42 U.S.C. 905) has been authorized by Public Law 86-703, to expand its activities to include a visual exhibit service, telephone, mail, messenger, laborers', accounting and payroll services on a centralized basis.

Central laboring services will be provided by the fund during 1961. However, before the other activities contained in the expanded authority are undertaken, studies will be made to ascertain if incorporation of these activities into the fund would be either more efficient or economical.

Budget program—1. *Reproduction.*—Consists of offset printing, mimeographing, photographic, visual aids, micro-filming, and addressograph services for the Department's headquarters and for other Government agencies as required. This activity 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 data processing.

3. *Supply services.*—Includes purchasing and supply functions on a centralized basis for the headquarters units of the Department. In 1961, laborers' services will be provided.

Operating results and financial conditions.—Government investment at end of 1962 is expected to consist of donated assets and retained earnings. The earnings are retained to meet future needs.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Reproduction:			
Acquisition of equipment.....	9	90	3
Expense:			
Purchase of commodities for manufacture or sale.....	275	260	305
Other expense.....	473	497	491
Tabulating:			
Acquisition of equipment.....	2	2	
Expense:			
Purchase of commodities for manufacture or sale.....	13	23	35
Other expense.....	415	457	613
Supply services:			
Expense:			
Purchase of commodities for manufacture or sale.....	360	376	411
Other expense.....	135	198	219
Increase in selected working capital.....		23	45
Adjustment of prior year expense.....	3		
Total gross expenditures.....	1,685	1,926	2,122
Receipts from operations (funds provided):			
Reproduction: Revenue.....	768	783	825
Tabulating: Revenue.....	434	485	656
Supply services: Revenue.....	515	578	633
Undistributed receipts:			
Sale of equipment.....	1		
Purchase discount.....	1		
Adjustment of prior year revenue.....	5		
Decrease in selected working capital.....	23		
Total receipts from operations.....	1,747	1,846	2,114
Budget expenditures.....	-62	80	8

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Reproduction:			
Revenue.....	768	783	825
Expense.....	765	782	822
Net operating income, reproduction.....	3	1	3
Tabulating:			
Revenue.....	434	485	656
Expense.....	430	483	651
Net operating income, tabulating.....	4	2	5
Supply services:			
Revenue.....	515	578	633
Expense.....	496	575	631
Net operating income, supply services.....	19	3	2

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Nonoperating income or loss (—):			
Proceeds from donated supplies.....	1		
Purchase discounts.....	1		
Net writeoff of equipment (—).....	-1		
Net operating income.....	1		
Net income for the year.....	27	6	10
Analysis of retained earnings:			
Retained earnings, beginning of year.....	106	135	141
Adjustment of prior year revenue.....	5		
Adjustment of prior year expense.....	-3		
Retained earnings, end of year.....	135	141	151

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	338	258	249
Accounts receivable, net.....	124	60	72
Supplies, deferred charges.....	105	97	104
Equipment, net.....	87	151	124
Total assets.....	654	566	549
Liabilities:			
Current.....	298	204	177
Government investments:			
Non-interest-bearing capital: Start and end of year.....	221	221	221
Retained earnings.....	135	141	151
Total Government investment.....	356	362	372

Note.—Unpaid undelivered orders are as follows: 1959, \$21 thousand; 1960, \$121 thousand; 1961, \$33 thousand; 1962, \$28 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	690	798	856
Other personnel compensation.....	61	31	43
Add excess of annual leave earned over leave taken.....	4	3	2
Total personnel compensation.....	755	832	901
12 Personnel benefits.....	46	59	64
21 Travel and transportation of persons.....	1	1	1
22 Transportation of things.....	2	2	3
23 Rent, communications, and utilities.....	129	130	228
24 Printing and reproduction.....	140	64	45
25 Other services.....	114	115	111
26 Supplies and materials.....	484	609	721
31 Equipment.....	11	92	3
Adjustment of prior expense.....	3		
Total costs.....	1,685	1,904	2,077
Costs financed from obligations of other years, net (—).....		-96	
Obligations incurred for costs of other years, net.....	100		1
Total obligations.....	1,785	1,808	2,078

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	151	158	168
Average number of all employees.....	140	151	165
Number of employees at end of year.....	136	154	167
Average GS grade.....	4.9	5.1	5.0
Average GS salary.....	\$4,711	\$5,216	\$5,157
Average salary of ungraded positions.....	\$5,138	\$5,010	\$5,010

OFFICE OF THE SECRETARY—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. State merit systems:			
Department of Labor.....	62	67	67
Office of Civil and Defense Mobilization.....	62	117	135
2. Federal Council on Aging.....	17	19	19
3. Ryukyu leader program (Army).....		8	
4. Food and Drug Administration investigation.....	8	40	
5. Miscellaneous services.....	2	15	
Total obligations.....	151	266	221
Financing:			
Advances and reimbursements from—			
Other accounts.....	154	265	221
Non-Federal sources (5 U.S.C. 623).....		1	
Unobligated balance lapsing.....	-3		
Total financing.....	151	266	221

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	115	159	175
Positions other than permanent.....	10	62	10
Other personnel compensation.....	1	1	
Total personnel compensation.....	126	222	185
12 Personnel benefits.....	8	13	14
21 Travel and transportation of persons.....	5	23	16
22 Transportation of things.....		2	
23 Rent, communications, and utilities.....	1	1	2
24 Printing and reproduction.....	2	2	2
25 Other services.....	7	1	1
26 Supplies and materials.....		1	1
31 Equipment.....	2	1	
Total obligations.....	151	266	221

Personnel Summary

Total number of permanent positions.....	16	20	20
Full-time equivalent of other positions.....	1	6	2
Average number of all employees.....	16	24	22
Number of employees at end of year.....	17	21	21
Average GS grade.....	10.1	11.1	11.1
Average GS salary.....	\$7,903	\$8,914	\$8,914

Proposed for later transmission:

SALARIES AND EXPENSES, OFFICE OF FIELD ADMINISTRATION

Under existing legislation, 1961.—A proposed increase in the transfer limitation from the Federal old-age and survivors insurance trust fund of \$165 thousand is anticipated for 1961 as a result of Public Law 86-778 which expanded the operation of the Social Security Administration. This has increased the level of operations of the Office of Field Administration in that it requires additional staff to provide administrative services for the

expanded field employment of the Bureau of Old-Age and Survivors Insurance.

SALARIES AND EXPENSES, OFFICE OF THE GENERAL COUNSEL

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Supervisory and general legal services.....		4	
2. Departmental program services:			
(a) Old-age and survivors insurance.....		30	
(b) Welfare and education.....		15	
Total program costs.....		49	
Financing:			
Proposed increase in transfer from Federal old-age and survivors insurance trust fund.....		-33	
New obligational authority (proposed supplemental appropriation).....		16	

Under existing legislation, 1961.—A supplemental appropriation for \$16 thousand is anticipated for 1961 to provide necessary legal services for the program of medical assistance for the aged (title VI of Public Law 86-778).

In addition, a proposed supplemental for increase in Federal old-age and survivors insurance trust fund limitation of \$33 thousand is anticipated for 1961, to provide legal services to carry out the amendments to the Social Security Act made by Public Law 86-778.

GENERAL PROVISIONS

Sec. 202. 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. 203. 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. 204. 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. 205. Except as otherwise provided under the appropriation to the Public Health Service for "Buildings and facilities", 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, 1960, shall remain available until June 30, 1961.

Sec. 206. The Secretary is authorized to make available not to exceed \$1,000 \$2,000 from funds available for salaries and expenses under this title for entertainment, not otherwise provided for, of officials, visiting scientists, and other experts of other countries.

Sec. 207. 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, of the Veterans Administration, or to Saint Eliza-

beths Hospital. (*Department of Health, Education, and Welfare Appropriation Act, 1961.*)

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】 901. 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).

SEC. 【903】 902. Appropriations contained in this Act 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 prepublication orders.

SEC. 【904】 903. Appropriations contained in this Act 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. 【905】 904. Appropriations contained in this Act available for salaries and expenses shall be available for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made or which will contribute to improved conduct, supervision, or management of those functions or activities. (*Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1961.*)

DEPARTMENT OF THE INTERIOR
BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
DEPARTMENTAL OFFICES									
Current authorizations:									
Office of Saline Water:									
Salaries and expenses	401	1,755	1,755		1,755	1,192	2,169	1,950	1,361
Construction, operation, and maintenance	401	1,850	2,040		4,800	231	2,489	4,800	3,630
Office of Oil and Gas: Salaries and expenses	403	480	480	32	531	425	512	530	494
Office of the Solicitor: Salaries and expenses	409	3,091	3,248	227	3,547	2,994	3,467	3,540	3,326
Office of Minerals Exploration: Salaries and expenses	403	850	550		1,100	454	451	1,000	500
Office of Coal Research: Salaries and expenses	403		1,000		1,000		400	1,000	400
Office of Minerals Mobilization: Salaries and expenses	403					15			
Acquisition of strategic minerals	403					40			
Total, departmental offices		8,026	9,073	259	12,733	5,351	9,488	12,820	9,711
COMMISSION OF FINE ARTS									
Current authorizations:									
Salaries and expenses	610	42	69		70	42	69	70	68
BONNEVILLE POWER ADMINISTRATION									
Current authorizations:									
Construction	401	21,255	18,720		15,706	17,050	21,745	16,650	8,500
Operation and maintenance	401	10,189	10,800	247	12,350	10,143	11,025	12,340	12,175
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Operation and maintenance	401			240			230	10	
Total, Bonneville Power Administration		31,444	29,520	487	28,056	27,193	33,000	29,000	20,675
SOUTHEASTERN POWER ADMINISTRATION									
Current authorizations:									
Operation and maintenance	401	717	800		800	338	715	715	655
SOUTHWESTERN POWER ADMINISTRATION									
Current authorizations:									
Construction	401	858	1,325		950	1,509	1,485	900	650
Operation and maintenance	401	1,121	1,250	19	1,310	1,100	1,265	1,299	1,214
Continuing fund (indefinite special fund)	401	4,981	5,000		5,000				
Permanent authorizations:									
Continuing fund (indefinite special fund)	401	19				3,592	4,388	4,001	3,551
Total, Southwestern Power Administration		6,979	7,575	19	7,260	6,201	7,138	6,200	5,415
BUREAU OF LAND MANAGEMENT									
Current authorizations:									
Management of lands and resources	401	27,817	27,375	996	30,342	27,794	28,146	30,000	27,000
Construction:									
Definite	401	235	350		750				
Indefinite	401	4,933				3,922	655	766	650
Oregon and California grant lands (receipt limitation) (indefinite)	401		8,000		9,200		6,100	8,910	4,690
Range improvements (receipt limitation) (indefinite)	401	769	863		917	844	800	941	513
Expenses, Public Land Administration Act (indefinite special fund)	401		800				300		
Permanent authorizations:									
Expenses, sale of timber, etc., on reclamation lands (indefinite special fund)	402	1	2		2		3	2	2
Leasing of grazing lands (receipt limitation)	401	1	1		1	1	1	1	1
Payments to Oklahoma (royalties) (receipt limitation)	403	19	11		11	19	11	11	11
Payments to Coos and Douglas Counties, Oregon, from receipts, Coos Bay Wagon Road grant lands (indefinite special fund)	402	137	100		100	137	100	100	100
Payments to counties, Oregon and California grant lands (indefinite special fund)	402	14,762	16,259		18,400	14,762	16,259	18,400	18,400
Payments to States (grazing fees) (indefinite special fund)	401	1	1		1	1	1	1	1

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
BUREAU OF LAND MANAGEMENT—Continued									
Permanent authorizations—Continued									
Payments to States (proceeds of sales) (receipt limitation).....	401	274	304		422	274	304	422	422
Payments to States from grazing receipts, etc., public lands outside grazing districts (indefinite special fund).....	401	192	250		275	177	250	275	175
Payments to States from grazing receipts, etc., public lands within grazing districts (indefinite special fund).....	401	255	262		281	252	262	281	229
Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous (indefinite special fund).....	401	3	5		5	3	5	5	4
Payments to States from receipts under Mineral Leasing Act (indefinite special fund).....	403	36,439	34,175		38,297	36,431	34,183	38,297	38,297
Payments to State of Alaska, income and proceeds, Alaska school lands (indefinite special fund).....	401	12				34	12		
Payments to Alaska, coal leases (indefinite special fund).....	403	79				79			
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund).....	401	108	280		288	108	280	288	288
Expenses, Public Land Administration Act (indefinite special fund).....	401				800			800	300
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Management of lands and resources.....	401			3,700			3,200	500	
Total, Bureau of Land Management.....		86,037	89,038	4,696	100,092	84,838	90,872	100,000	91,083
BUREAU OF INDIAN AFFAIRS									
Current authorizations:									
Education and welfare services:									
Appropriation.....	214	60,366	63,200	1,772	70,901	58,532	61,292	67,410	58,075
Appropriation to liquidate contract authorization.....	214	(559)	(469)		(620)				
Resources management.....	401	22,512	23,084	706	28,091	21,598	22,770	25,000	21,098
Construction.....	401	13,575	16,265		19,561	19,831	17,000	16,000	4,071
Road construction:									
Contract authorization.....	401		12,000			12,662	18,731	17,000	
Appropriation to liquidate contract authorization.....	401	(14,600)	(14,500)		(17,000)				
General administrative expenses.....	409	3,715	3,739	228	3,972	3,596	3,861	3,956	3,522
Liquidation of Klamath and Menominee agencies.....	409	250	150	2	31	177	219	31	31
Colorado River Indian Reservation benefits, southern and northern reserves (indefinite special fund).....	401	178	180			166	195		
Miscellaneous accounts:									
Payment to Pine Ridge Sioux Tribe of Indians.....	610						46		
Distribution of funds of the Creek Indians.....	610	100				53	61		
Payment to loyal Creeks and Freedmen.....	610					79	171		
Payment to Klamath Tribe of Indians.....	409	100				29	72		
Payment to Menominee Tribe of Indians.....	409					168	107		
Permanent authorizations:									
Education and welfare services (contract authorization).....	214	469	620		620				
Road construction (contract authorization).....	401	12,000			12,000				
Colorado River Indian Reservation benefits, southern and northern reserves (indefinite special fund).....	401				180			180	180
Claims and treaty obligations (indefinite).....	610	166	141		141	176	165	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		10	82	10
Operation and maintenance, Indian irrigation systems.....	401	2,581	2,800		2,679	2,509	2,800	2,800	550
Power systems, Indian irrigation projects.....	401	1,589	1,600		1,600	1,680	1,650	1,650	1,112
Purchase of land for Rocky Boy's reservation, Montana.....	610						2		
Public enterprise funds:									
Revolving fund for loans.....	401					856	4,127	336	
Liquidation of Hoonah housing project revolving funds.....	409					7	101	6	
Intragovernmental funds:									
Advances and reimbursements.....	409					-155	835		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Education and welfare services.....	214			1,000			1,000		
Resources management.....	401			940			880	60	
Total, Bureau of Indian Affairs.....		117,605	123,789	4,648	139,786	121,964	136,096	134,652	88,790

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
BUREAU OF RECLAMATION									
Current authorizations:									
General investigations	401	4,669	4,893	255	5,850	4,532	4,900	5,700	4,552
General investigations (special foreign currency program)	401				4,500			1,000	1,000
Construction and rehabilitation	401	132,466	166,745		158,250	127,802	135,000	150,500	75,624
Operation and maintenance	401	29,138	33,643	548	34,400	28,496	34,000	34,000	29,250
General administrative expenses	401	4,290	4,290	282	9,430	4,209	4,500	9,400	9,060
Loan program	401	11,228	11,643		12,212	8,900	15,700	25,000	2,516
Disposal of Coulee Dam community (indefinite special fund)	401	21	15						
Boulder City municipal fund (indefinite special fund)	401		150						
Emergency fund	401		500		1,000	543	250	450	200
Permanent authorizations:									
Disposal of Coulee Dam community (indefinite special fund)	401	39	16			63	31	7	
Boulder City municipal fund (indefinite special fund)	401	270	8		26	117	219	45	22
Colorado River Dam fund; Boulder Canyon project:									
Payment of interest on advances from the Treasury (indefinite special fund)	401	3,072	3,200		3,271	3,072	3,200	3,271	3,271
Payment to States of Arizona and Nevada (definite special fund)	401	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	4	3		3		10		
Payments to Farmers' Irrigation District (North Platte project, Nebraska-Wyoming) (indefinite special fund)	401	8	8		8	8	8	8	8
Refunds and returns (indefinite)	401		92		67	65	124	67	67
Public enterprise funds:									
Continuing fund for emergency expenses, Fort Peck project, Montana	401					-1,781	-1,542	-2,048	
Upper Colorado River Basin fund (current appropriation)	401	74,460	58,700		60,700	32,032	43,000	77,000	30,000
Total, Bureau of Reclamation		260,265	284,506	1,085	290,317	208,658	240,000	305,000	156,170
GEOLOGICAL SURVEY									
Current authorizations:									
Surveys, investigations, and research	409	42,350	43,950	2,006	50,165	41,345	45,900	49,700	47,100
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					365	100		
Total, Geological Survey		42,351	43,951	2,006	50,166	41,710	46,000	49,700	47,100
BUREAU OF MINES									
Current authorization:									
Conservation and development of mineral resources	403	21,277	22,017	881	23,963	21,055	23,100	22,779	21,000
Health and safety	211	6,637	6,782	325	7,220	6,377	7,450	6,900	6,800
Construction	403		2,185		920	4,165	1,700	1,000	300
General administrative expenses	403	1,197	1,207	83	1,292	1,186	1,285	1,205	1,100
Drainage of anthracite mines	403					1,232	1,365	500	
Public enterprise funds:									
Development and operation of helium properties	403					91	2,573	595	
Authorization to expend from debt receipts	403				15,000				
Intragovernmental funds:									
Advances and reimbursements	403					-2			
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Conservation and development of mineral resources	403			121			100	21	
Development and operation of helium properties (authorization to expend from debt receipts)	403			12,000					
Total, Bureau of Mines		29,111	32,191	13,410	48,395	34,103	37,573	33,000	29,200

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
NATIONAL PARK SERVICE									
Current authorizations:									
Management and protection.....	405	16,772	18,575	809	21,790	16,617	17,500	18,800	15,150
Maintenance and rehabilitation of physical facilities.....	405	14,435	15,000	151	18,238	13,674	14,100	15,800	12,200
Construction.....	405	16,735	21,228		28,997	15,852	16,000	19,903	9,500
Contract authorization.....	405		34,000						
Appropriation to liquidate contract authorization.....	405	(30,000)	(30,000)		(30,000)	25,564	35,000	43,000	
General administrative expenses.....	405	1,475	1,485	96	1,583	1,471	1,526	1,574	1,398
Permanent authorizations:									
Construction (contract authorization).....	405	36,000			34,000				
Educational expenses, children of employees, Yellowstone National Park.....	405	38	114		139	38	60	100	100
Operation, management, maintenance and demolition of federally acquired properties, Independence National Historical Park.....	405	31	21		17	32	40	30	17
Payment for tax losses on land acquired for Grand Teton National Park.....	405	29	30		30	30	29	30	
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park.....	405	36	24				140		
Intragovernmental funds:									
Advances and reimbursements.....	405					5	-3	5	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Management and protection.....	405			1,162			1,008	154	
Maintenance and rehabilitation of physical facilities.....	405			737			500	237	
Construction.....	405			467			100	367	
Total, National Park Service.....		85,551	90,477	3,422	104,794	73,283	86,000	100,000	38,365
FISH AND WILDLIFE SERVICE									
Office of the Commissioner of Fish and Wildlife									
Current authorizations:									
Salaries and expenses.....	404	340	342	22	364	344	365	361	336
Bureau of Sport Fisheries and Wildlife									
Current authorizations:									
Management and investigations of resources:									
Definite.....	404	13,520	18,645	608	23,200	13,742	18,800	22,500	20,680
Indefinite special fund.....	404	268							
Construction.....	404	3,410	4,785		4,067	4,416	4,800	4,400	1,700
General administrative expenses.....	404	631	950	66	1,071	634	990	1,065	999
Upper Mississippi River wildlife refuge.....	404					1			
Permanent authorizations:									
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act (indefinite special fund).....	404	76	97		115	71	101	112	107
Federal aid in fish restoration and management (receipt limitation).....	404	5,589	5,836		5,600	4,753	5,000	5,500	1,000
Federal aid in wildlife restoration (indefinite special fund).....	404	16,602	15,590		15,273	18,478	15,894	16,173	2,000
Management of national wildlife refuges (indefinite special fund).....	404	1,519	1,460		1,432	1,501	1,470	1,500	1,300
Migratory bird conservation account (receipt limitation).....	404	4,837	5,000		5,000	5,602	5,233	5,700	4,200
Payment to Alaska, Alaska Game Law (indefinite special fund).....	404	17	2			17	2		
Payments due counties, submarginal land program, Farm Tenant Act (indefinite special fund).....	404		6		4		6	4	4
Payments to counties from receipts under Migratory Bird Conservation Act (indefinite special fund).....	404	506	487		477	506	487	477	477
Intragovernmental funds:									
Advances and reimbursements.....	404					8	17		
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Management and investigations of resources.....	404			55			50	5	
Construction.....	404			214			150	64	
Total, Bureau of Sport Fisheries and Wildlife.....		46,975	52,858	943	56,239	49,729	53,000	57,500	32,467

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
FISH AND WILDLIFE SERVICE—Continued									
Bureau of Commercial Fisheries									
Current authorizations:									
Management and investigations of resources:									
Definite.....	404	6,345	6,691	235	9,296	6,825	6,900	9,171	8,487
Indefinite special fund.....	404	398							
Management and investigations of resources (special foreign currency program).....	404				1,000			300	300
Construction.....	404	400	2,400		7,561	928	1,872	4,212	2,773
General administrative expenses.....	404	325	361	24	482	326	380	475	456
Administration of Pribilof Islands (indefinite special fund).....	404	1,940	2,070	29	1,981	1,797	2,002	2,000	1,759
Construction of fishing vessels.....	404		750		1,000		675	700	625
Permanent authorizations:									
Promote and develop fishery products and research pertaining to American fisheries (indefinite).....	404	4,994	5,321		5,000	5,291	5,500	5,300	4,402
Payment to Alaska from Pribilof Islands funds (indefinite special fund).....	404	814	1,050		539	814	1,050	539	539
Public enterprise funds:									
Federal ship mortgage insurance for fishing vessels.....	404						-35	-72	
Fisheries loan fund.....	404	3,000							
Limitation on administrative expenses.....		(250)	(250)		(250)	626	1,433	1,375	
Total, Bureau of Commercial Fisheries.....		18,216	18,643	288	26,859	16,607	19,777	24,000	19,341
Total, Fish and Wildlife Service.....		65,531	71,843	1,253	83,462	66,680	73,142	81,861	52,144
OFFICE OF TERRITORIES									
Current authorizations:									
Administration of territories.....	609	2,606	2,810	46	6,399	2,463	2,875	5,589	5,542
Trust Territory of the Pacific Islands.....	609	5,225	5,625	76	6,104	5,220	5,700	5,717	5,710
Alaska public works (reappropriation).....	515	350	300		108	4,638	1,690	398	108
Virgin Islands public works.....	515					12			
Permanent authorizations:									
Internal revenue collections for Virgin Islands (indefinite special fund).....	609	4,918	6,500		5,000	4,918	6,500	5,000	5,000
Public enterprise funds:									
Loans to private trading enterprises, Trust Territory of the Pacific Islands.....	609					-76	-30	-30	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Trust Territory of the Pacific Islands.....	609			230			230		
Total, Office of Territories.....		13,099	15,235	352	17,611	17,175	16,965	16,674	16,360
VIRGIN ISLANDS CORPORATION									
Public enterprise funds:									
Operating fund:									
Contributions (current appropriation).....	609	130	691		669	168	4,027	1,520	1,168
Revolving fund (current appropriation).....	609		2,538		881				
Authorization to expend from debt receipts.....	609		1,100						
Limitation on administrative expenses.....		(172)	(172)		(180)				
Total, Virgin Islands Corporation.....		130	4,329		1,550	168	4,027	1,520	1,168
ALASKA RAILROAD									
Public enterprise funds:									
Alaska Railroad revolving fund.....	518					-217	1,000	-1,113	
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses.....	409	2,707	2,723	175	2,901	2,634	2,898	2,901	2,735
Intragovernmental funds:									
Working capital fund.....	409					20	1		
Advances and reimbursements.....	409					-6	16		
Total, Office of the Secretary.....		2,707	2,723	175	2,901	2,648	2,915	2,901	2,735
Total new obligational authority and budget expenditures.....		749,595	805,119	31,812	887,993	690,135	785,000	873,000	559,639

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		600,113	655,267	720,350	} 690,135	} 767,041	} 871,147	} 559,639	
Appropriations to liquidate contract authorizations.....		(45,159)	(44,969)	(47,620)					
Authorizations to expend from debt receipts.....			1,100	15,000					
Contract authorization.....			46,000						
Reappropriations.....		350	300	108					
Permanent authorizations:									
Appropriations.....		100,663	101,832	105,915	} 690,135	} 767,041	} 871,147	} 559,639	
Contract authorizations.....		48,469	620	46,620					
Proposed for later transmission:									
Pay increase supplemental appropriation.....			10,946			10,511	435		
Other:									
Appropriations.....			8,866			} 7,448	} 1,418	} -----	} -----
Authorization to expend from debt receipts.....			12,000						
Total new obligational authority and budget expenditures.....		749,595	836,931	887,993	690,135	785,000	873,000	559,639	

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
BUREAU OF INDIAN AFFAIRS										
Revolving fund for loans.....	401	3,726	4,797	2,091	2,870	670	1,755	856	4,127	336
Liquidation of Hoonah housing project revolving fund.....	409	10	105	10	3	4	4	7	101	6
BUREAU OF RECLAMATION										
Continuing fund for emergency expenses, Fort Peck project, Montana.....	401	3,735	1,432	1,210	5,516	2,974	3,258	-1,781	-1,542	-2,048
Upper Colorado River Basin fund.....	401	32,067	74,009	92,060	35	31,009	15,060	32,032	43,000	77,000
BUREAU OF MINES										
Development and operation of helium properties.....	403	7,999	12,515	25,085	7,908	9,942	24,490	91	2,573	595
FISH AND WILDLIFE SERVICE										
Federal ship mortgage insurance for fishing vessels.....	404					35	72		-35	-72
Fisheries loan fund.....	404	1,695	2,553	2,550	1,069	1,120	1,175	626	1,433	1,375
OFFICE OF TERRITORIES										
Loans to private trading enterprises, Trust Territory of the Pacific Islands.....	609	15	100	100	91	130	130	-76	-30	-30
VIRGIN ISLANDS CORPORATION										
Operating fund.....	609	3,633	7,830	5,523	3,465	3,803	4,003	168	4,027	1,520
ALASKA RAILROAD										
Alaska Railroad revolving fund.....	518	17,464	16,699	14,508	17,681	15,699	15,621	-217	1,000	-1,113
Total, public enterprise funds.....		70,344	120,040	143,137	38,638	65,386	65,568	31,706	54,654	77,569

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Construction, Office of Saline Water			269	1,619		1,170		1,170
Salaries and expenses, Office of Minerals Exploration		117	184	492		591		691
Construction, Bonneville Power Administration	430	15,514	1,313	19,719		16,694		15,750
Continuing fund for emergency expenses, Bonneville Power Administration (indefinite special fund)	500	500	500	500	500	500	500	500
Continuing fund, Southeastern Power Administration (indefinite special fund)	50	50	50	50	50	50	50	50
Construction, Southwestern Power Administration	286	1,061	143	410		250		300
Continuing fund, Southwestern Power Administration (indefinite special fund)	300	607	300	648	300	1,589	300	2,649
Construction, Bureau of Land Management	4,699	6,984	4,066	8,230	1	115	1	99
Range improvements, Bureau of Land Management (receipt limitation) (indefinite special fund)	297	440	182	364	15	427		403
Expenses, sale of timber on reclamation lands, Bureau of Land Management (indefinite special fund)			1	1				
Construction, Bureau of Indian Affairs	9,752	18,919	3,952	12,664		11,929		15,490
Payment to Klamath Tribe of Indians, Bureau of Indian Affairs	1	1	72	72				
Distribution of fund of the Creek Indians, Bureau of Indian Affairs	10	14	58	61				
Payment to Pine Ridge Sioux Tribe of Indians, Bureau of Indian Affairs	45	45	45	45				
Payment to Menominee Tribe of Indians, Bureau of Indian Affairs	500	500	332	332	225	225	225	225
Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936, Bureau of Indian Affairs	68	68	73	73		73		
Operation and maintenance, Indian irrigation systems, Bureau of Indian Affairs	2,173	2,392	2,231	2,463	2,250	2,463	2,141	2,342
Power systems, Indian irrigation projects, Bureau of Indian Affairs	564	779	557	687	538	637	526	587
Purchase of land for Rocky Boy's Reservation, Montana, Bureau of Indian Affairs	2	2	2	2				
General investigations, Bureau of Reclamation	380	763	516	900	12	1,148		1,298
Construction and rehabilitation, Bureau of Reclamation	9,793	43,467	8,043	48,132	577	79,876	83	87,626
Operation and maintenance, Bureau of Reclamation	1,332	4,740	1,411	4,559	936	4,750	765	5,150
Loan program, Bureau of Reclamation	5,541	24,213	917	26,540	1,146	22,484		9,696
Emergency fund, Bureau of Reclamation	501	543				250		800
Disposal of Coulee Dam community, Bureau of Reclamation (indefinite special fund)	7	23	19	20	19	20	12	13
Boulder City municipal fund, Bureau of Reclamation (indefinite special fund)	24	31	80	84	19	23	1	4
Operation, maintenance and replacement work, North Platte project, Bureau of Reclamation (indefinite special fund)	15	14	19	19	12	12	15	15
Refunds and returns, Bureau of Reclamation (indefinite general fund)	97	97	33	33				
Surveys, investigations and research, Geological Survey	400	2,300	400	2,922	400	2,978	400	3,443
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40(d), Geological Survey (indefinite special fund)	11	11	12	12	13	13	14	14
Health and safety, Bureau of Mines		489	250	719		376		696
Construction, Bureau of Mines	1,218	5,370	520	570		1,055		975
Drainage of anthracite mines, Bureau of Mines	5,864	6,545	5,105	5,313	3,605	3,948	2,980	3,448
Construction, National Park Service	4,970	15,237	4,903	16,120		21,348		30,442
Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park, National Park Service (indefinite special fund)	27	41	37	40		21		8
Payment of tax losses on land acquired for Grand Teton National Park, National Park Service (indefinite special fund)	30	30	29	29	30	30	30	30
Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park, National Park Service (indefinite special fund)	80	80	116	116				
Construction, Bureau of Sport Fisheries and Wildlife	1,669	4,984	1,957	3,978		3,963		3,630
Expenses for sales, etc., in refuges, Migratory Bird Conservation Act, Bureau of Sport Fisheries and Wildlife (indefinite special fund)		4	4	9		5		8
Federal aid in fish restoration and management, Bureau of Sport Fisheries and Wildlife (receipt limitation) (general fund)	1,643	8,325	1,932	9,161	2,241	9,997	1,781	10,097

ANALYSIS OF UNEXPENDED BALANCES—Continued

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document—Continued								
Appropriations—Continued								
Federal aid in wildlife restoration, Bureau of Sport Fisheries and Wildlife (indefinite special fund).....	4,289	29,421	5,223	27,545	4,754	27,241	3,475	26,341
Management of national wildlife refuges, Bureau of Sport Fisheries and Wildlife (indefinite special fund).....	17	318	144	336	43	326		258
Migratory bird conservation account, Bureau of Sport Fisheries and Wildlife (receipt limitation) (general fund).....	1,841	3,692	343	2,927	729	2,694	29	1,994
Construction, Bureau of Commercial Fisheries.....	291	1,439	245	911		1,439		4,788
Administration of Pribilof Islands, Bureau of Commercial Fisheries (receipt limitation) (indefinite special fund).....	198	609		354		451		432
Promote and develop fishery products and research pertaining to American fisheries, Bureau of Commercial Fisheries (indefinite).....	151	1,374	135	1,077	365	898	4	598
Virgin Islands public works, Office of Territories.....	294	314	302	302	302	302	302	302
Other.....		41,514		46,060		54,312		62,045
Subtotal.....	60,361	243,981	47,023	247,219	19,082	276,673	13,634	294,407
Balances of anticipated pay increase supplementals included above.....						-435		
Total, appropriations.....	60,361	243,981	47,023	247,219	19,082	276,238	13,634	294,407
Authorizations to expend from debt receipts:								
Development and operation of helium properties.....		125		91		112	15,000	15,000
Operating fund, Virgin Islands Corporation.....								
Total, authorizations to expend from debt receipts.....		125		91		112	15,000	15,000
Contract authorizations:								
Education and welfare services, Bureau of Indian Affairs.....		559		469		620		620
Road construction, Bureau of Indian Affairs.....	30,643	34,685	28,069	32,085	23,400	29,585	18,400	24,585
Construction, National Park Service.....	35,727	45,053	38,876	51,053	35,700	55,053	34,000	59,053
Total, contract authorizations.....	66,370	80,297	66,945	83,607	59,100	85,258	52,400	84,258
Revolving and management funds:								
Revolving fund for loans, Bureau of Indian Affairs.....	5,319	5,319	4,463	4,463	336	335		
Liquidation of Hoonah housing project revolving fund, Bureau of Indian Affairs.....	115	115	108	108	7	7	1	1
Advances and reimbursements, Bureau of Indian Affairs.....	679	680	554	835				
Continuing fund for emergency expenses, Fort Peck project, Montana, Bureau of Reclamation.....	800	454	746	464	753	500	753	500
Upper Colorado River Basin fund, Bureau of Reclamation.....	1,994	21,887	30,235	64,283	18,518	79,975		63,665
Advances and reimbursements, Geological Survey.....	60	804	156	409		309		309
Development and operation of helium properties, Bureau of Mines.....	5,006	7,693	3,911	7,603	2,675	5,030	2,387	4,435
Advances and reimbursements, Bureau of Mines.....	197	322	316	447	300	447	300	447
Advances and reimbursements, National Park Service.....	6	7	1	2		5		
Advances and reimbursements, Bureau of Sport Fisheries and Wildlife.....	22	25	17	17				
Federal ship mortgage insurance for fishing vessels, Bureau of Commercial Fisheries.....					35	35	107	107
Fisheries loan fund, Bureau of Commercial Fisheries.....	4,252	5,146	6,568	7,520	5,183	6,087	3,853	4,712
Loans to private trading enterprises, Trust Territory of the Pacific Islands, Office of the Territories.....	96	96	172	172	202	202	232	232
Operating fund, Virgin Islands Corporation.....	-264	79	-864	75	513	356	1,972	498
Alaska Railroad revolving fund, Alaska Railroad.....	5,401	6,448	6,195	6,665	5,181	5,665	6,286	6,778
Working capital fund, Office of the Secretary.....	224	188	229	168	228	167	228	167
Advances and reimbursements, Office of the Secretary.....	18	41	16	46		30		30
Total, revolving and management funds.....	23,926	49,304	52,823	93,277	33,931	99,150	16,118	81,881
Proposed for later transmission:								
Other than pay increase supplementals:								
Appropriations.....						1,418		
Authorizations to expend from debt receipts.....					12,000	12,000	12,000	12,000
Anticipated pay increase supplemental appropriations.....						435		
Total, proposed for later transmission.....					12,000	13,853	12,000	12,000
Total, Department of the Interior.....	150,657	373,707	166,791	424,194	124,113	474,611	109,152	487,546

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
New obligational authority	749,595	836,931	887,993
Unobligated balances brought forward, start of year.....	150,657	166,791	124,113
Unobligated balances lapsing (-).....	-6,004		
Capital transfers from revolving funds to receipt accounts (-).....	-1,802	-1,514	-2,058
Unobligated balances carried forward, end of year (-).....	-166,791	-124,113	-109,152
Obligations incurred, net	725,655	878,095	900,896
Obligated balances brought forward, start of year.....	223,050	257,403	350,498
Adjustments of obligated balances in expired accounts.....	-1,167		
Obligated balances carried forward, end of year (-).....	-257,403	-350,498	-378,394
Budget expenditures	690,135	785,000	873,000

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Labor and welfare:						
211 Labor and manpower.....	6,637	7,107	7,220	6,377	7,450	6,900
214 Promotion of education.....	60,835	66,592	71,521	58,532	62,292	67,410
Total, labor and welfare	67,472	73,699	78,741	64,909	69,742	74,310
Natural resources:						
401 Conservation and development of land resources.....	390,047	428,551	440,383	336,525	393,980	453,881
402 Conservation and development of forest resources.....	14,900	16,361	18,502	14,899	16,362	18,502
403 Conservation and development of mineral resources.....	60,341	74,742	82,114	65,189	65,680	66,938
404 Conservation and development of fish and wildlife.....	65,531	73,096	83,462	66,680	73,142	81,861
405 Recreational use of natural resources.....	85,551	93,899	104,794	73,283	86,000	100,000
409 General resource surveys and administration.....	52,212	56,447	60,616	51,174	57,578	60,134
Total, natural resources	668,582	743,096	789,871	607,750	692,742	781,316
Commerce, housing, and space technology:						
515 Community development and facilities.....	350	300	108	4,650	1,690	398
518 Other aids to business.....				-217	1,000	-1,113
Total, commerce, housing, and space technology	350	300	108	4,433	2,690	-715
General government:						
609 Territories and possessions, and the District of Columbia.....	12,879	19,616	19,053	12,693	19,302	17,796
610 Other general government.....	312	220	221	350	524	293
Total, general government	13,191	19,836	19,274	13,043	19,826	18,089
Total, Department of the Interior	749,595	836,931	887,993	690,135	785,000	873,000

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, **[\$1,355,000] \$1,755,000.**

[For an additional amount for "Salaries and expenses", \$400,000.]
(Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration and coordination.....	179	220	220
2. Research and development:			
(a) Contracts and grants (non-Federal).....	955	1,615	1,635
(b) Federal laboratories.....	164	150	100
Total program costs.....	1,298	1,985	1,955
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-230	-200
Obligations incurred for costs of other years, net.....	416		
Total obligations.....	1,714	1,755	1,755
Financing:			
Unobligated balance lapsing.....	41		
New obligational authority (appropriation)	1,755	1,755	1,755

This program finances research to develop low-cost processes for converting saline water to fresh water in quantities sufficient for municipal, industrial, and agricultural use.

1. *Administration and coordination.*—This activity provides for administration of federally sponsored research, coordination of 100 Federal and non-Federal research projects, and stimulation of private and public saline water research including participation in scientific and technical organizations.

2. *Research and development.*—Both basic and applied research, development, and evaluation work are accomplished by means of contract or grant to Federal or non-Federal agencies, institutions, commercial organizations, and consultants.

3. *Relation of cost to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$316 thousand; 1959 (adjusted), \$315 thousand; 1960, \$731 thousand; 1961, \$501 thousand; 1962, \$301 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	140	162	162
Positions other than permanent.....		5	5
Other personnel compensation.....	1	1	1
Total personnel compensation.....	141	168	168
12 Personnel benefits.....	9	15	15
21 Travel and transportation of persons.....	12	12	12
23 Rent, communications, and utilities.....	3	5	5
24 Printing and reproduction.....	7	7	7
25 Other services.....	1,364	1,362	1,412
Services of other agencies.....	167	153	103
26 Supplies and materials.....	1	3	3
31 Equipment.....	2	5	5
41 Grants, subsidies, and contributions.....	8	25	25
Total obligations.....	1,714	1,755	1,755

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	21	22	22
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	18	22	22
Number of employees at end of year.....	19	25	25
Average GS grade.....	9.1	9.1	9.2
Average GS salary.....	\$7,840	\$8,361	\$8,538

CONSTRUCTION, OPERATION, AND MAINTENANCE

For an additional amount for construction, operation, and maintenance 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), \$2,040,000]** (42 U.S.C. 1958a-1958g), \$4,800,000 to remain available until September 3, 1965. (Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Engineering and design.....	455		150	240	65	65			
2. Construction.....	6,476			1,976	3,500	1,000	1,000	3,500	
3. Operation and maintenance.....				100	1,000	50	150	1,100	
4. Administration.....			119	189	200	1	1	200	
Total program costs.....	6,931		269	2,505	4,765	1,116	1,151	4,800	
5. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....				-195					
Obligations incurred for costs of other years, net.....			1,311		35				
Total obligations.....			1,581	2,309	4,800				
Financing:									
Unobligated balance brought forward.....				-269					
Unobligated balance carried forward.....			269						
New obligational authority (appropriation)			1,850	2,040	4,800				

DEPARTMENTAL OFFICES—Continued

Current authorizations—Continued

OFFICE OF SALINE WATER—Continued

CONSTRUCTION, OPERATION, AND MAINTENANCE—continued

This appropriation provides for the practical application of research in the conversion of saline water to fresh water.

1. *Engineering and design.*—Preconstruction planning has been completed on three plants and will be completed on the remaining two by the end of calendar year 1961.

2. *Construction.*—Construction is well underway on the first sea water conversion plant at Freeport, Tex., and recently has started on two others—a sea water plant at San Diego, Calif., and a brackish water plant at Webster, S. Dak. The 1962 program provides for construction of the second brackish water plant at Roswell, N. Mex., and the third sea water plant at an east coast location.

3. *Operation and maintenance.*—Completed demonstration plants are operated by the Federal Government for a limited time to obtain operational data for research purposes. In 1962 one plant will be operated for a full year and two plants for part of a year. Funds received from the sale of product water from these plants will be returned directly to the U.S. Treasury.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$1,311 thousand; 1961, \$1,116 thousand; 1962, \$1,151 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	79	120	131
Positions other than permanent.....	10	5	5
Other personnel compensation.....	1	1	
Total personnel compensation.....	90	126	136
12 Personnel benefits.....	5	11	11
21 Travel and transportation of persons.....	10	20	20
22 Transportation of things.....	1	7	7
23 Rent, communications, and utilities.....	2	5	5
24 Printing and reproduction.....	7	5	5
25 Other services.....	1	153	1,103
Services of other agencies.....	2	3	3
26 Supplies and materials.....	1	3	3
31 Equipment.....		7	7
32 Lands and structures.....	1,462	1,969	3,500
Total obligations.....	1,581	2,309	4,800

Personnel Summary

Total number of permanent positions.....	12	14	15
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	11	14	15
Number of employees at end of year.....	13	16	17
Average GS grade.....	9.1	9.1	9.2
Average GS salary.....	\$7,840	\$8,361	\$8,538

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, [\$480,000] \$531,000. (Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Coordination of oil and gas activities.....	345	418	418
2. Administration of oil import program.....	68	80	99
3. Oil import appeals.....	9	14	14
Total program costs.....	422	512	531
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1		
Total obligations.....	423	512	531
Financing:			
Unobligated balance lapsing.....	57		
New obligational authority.....	480	512	531
New obligational authority:			
Appropriation.....	480	480	531
Proposed supplemental due to pay increases.....		32	

1. *Coordination of oil and gas activities.*—This office provides coordination and advice to the Federal Government on all phases of petroleum and gas. Studies, domestic and worldwide, are made to maintain data on adequacy of petroleum and gas, to define deficient areas or elements, and to develop ways to alleviate actual or potential deficiencies.

2. *Administration of oil import program.*—This appropriation finances the Oil Import Administration established March 13, 1959, pursuant to Presidential Proclamation No. 3279 as amended. The Administration establishes quotas for importers of crude oil and oil products under the mandatory quota system.

3. *Oil import appeals.*—The Oil Import Appeals Board has been established to conduct hearings on appeals from importers who request a change in their quota or who do not qualify for a quota.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand; 1960, \$2 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	339	435	455
Other personnel compensation.....	5	3	1
Total personnel compensation.....	344	438	456
12 Personnel benefits.....	24	32	33
21 Travel and transportation of persons.....	12	12	12
22 Transportation of things.....			
23 Rent, communications, and utilities.....	6	6	6
24 Printing and reproduction.....	11	10	10
25 Other services.....	2	3	3
Services of other agencies.....	11	7	7
26 Supplies and materials.....	4	3	3
31 Equipment.....	9	1	1
Total obligations.....	423	512	531

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	48	48	49
Average number of all employees.....	39	47	47
Number of employees at end of year.....	45	48	49
Average GS grade.....	10.1	10.1	10.2
Average GS salary.....	\$8,618	\$9,373	\$9,659

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, [\$3,248,000] \$3,547,000, and in addition, not to exceed \$130,000 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Legal services (total program costs).....	3,110	3,615	3,677
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-10	
Obligations incurred for costs of other years, net.....	19		
Total obligations.....	3,128	3,605	3,677
Financing:			
Advance and reimbursements from other accounts.....	-98	-130	-130
Unobligated balance lapsing.....	61		
New obligational authority.....	3,091	3,475	3,547
New obligational authority:			
Appropriation.....	3,091	3,248	3,547
Proposed supplemental due to pay increases.....		227	

1. 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.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$16 thousand; 1959 (adjusted), \$11 thousand; 1960, \$30 thousand; 1961, \$20 thousand; 1962, \$20 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,620	3,066	3,137
Other personnel compensation.....	39	34	23
Total personnel compensation.....	2,659	3,100	3,160
12 Personnel benefits.....	179	229	233
21 Travel and transportation of persons.....	79	88	89
22 Transportation of things.....	8	4	4
23 Rent, communications, and utilities.....	52	54	55
24 Printing and reproduction.....	26	24	26

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	7	7	7
Services by other agencies.....	44	51	52
26 Supplies and materials.....	17	14	15
31 Equipment.....	57	35	37
Total obligations.....	3,128	3,605	3,677

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	392	400	400
Average number of all employees.....	351	375	378
Number of employees at end of year.....	364	400	400
Average GS grade.....	9.1	9.2	9.2
Average GS salary.....	\$7,418	\$8,131	\$8,244

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, [\$550,000, including not to exceed \$200,000 for administrative and technical services] \$1,100,000, to remain available until expended. (72 Stat. 700; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Financial assistance for exploration projects.....	60	457	800
2. Administration.....	390	213	300
Total program costs.....	450	670	1,100
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	216	64	
Total obligations.....	666	734	1,100
Financing:			
Unobligated balance brought forward.....		-184	
Unobligated balance carried forward.....	184		
New obligational authority.....	850	550	1,100
New obligational authority:			
Appropriation.....	1,100	550	1,100
Transferred to "Health and safety," Bureau of Mines (74 Stat. 48).....	-250		
Appropriation (adjusted).....	850	550	1,100

This program provides for the discovery of the minerals reserves of the United States, its Territories and possessions, by encouraging exploration for minerals, excluding organic fuels, by private industry.

1. *Financial assistance for exploration projects.*—This is the Government's share of the cost of the exploration for strategic and critical minerals. The Government contributes not more than 50% of the cost. If the exploration is successful the contribution is subject to repayment with interest.

DEPARTMENTAL OFFICES—Continued

Current authorizations—Continued

OFFICE OF MINERALS EXPLORATION—Continued

SALARIES AND EXPENSES—continued

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$91 thousand; 1959 (adjusted), \$70 thousand; 1960, \$286 thousand; 1961, \$350 thousand; 1962, \$350 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	179	159	242
Other personnel compensation.....	1	1	1
Total personnel compensation.....	180	160	243
12 Personnel benefits.....	11	12	19
21 Travel and transportation of persons.....	2	4	24
23 Rent, communications, and utilities.....	2	2	3
24 Printing and reproduction.....	1	1	2
25 Other services.....	3	3	3
Bureau of Mines.....	96	20	2
Geological Survey.....	95	10	1
26 Supplies and materials.....	1	1	2
31 Equipment.....			1
33 Investments and loans.....	275	521	800
Total obligations.....	666	734	1,100

Personnel Summary

Total number of permanent positions.....	25	25	28
Average number of all employees.....	21	17	26
Number of employees at end of year.....	19	14	27
Average GS grade.....	10.0	10.4	10.0
Average GS salary.....	\$8,726	\$9,813	\$9,432

OFFICE OF COAL RESEARCH

SALARIES AND EXPENSES

For necessary expenses to encourage and stimulate the production and conservation of coal in the United States through research and development, as authorized by Public Law 86-599, [including hire of passenger motor vehicles, and 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,] \$1,000,000, to remain available until expended [of which not to exceed \$200,000 shall be available for administration and supervision]. (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration and contract supervision.....		190	293
2. Contract research.....		310	707
Total program costs.....		500	1,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....		500	
Total obligations.....		1,000	1,000
Financing:			
New obligational authority (appropriation).....		1,000	1,000

This program provides for research to develop new methods of mining, preparing and utilizing coal.

1. *Administration and contract supervision.*—This activity covers departmental administration, supervision of federally sponsored research, and coordination and stimulation of private and public coal research.

2. *Contract research.*—This research is accomplished by contracts with recognized coal associations, educational institutions, and agencies of States and political subdivisions.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1961, \$500 thousand; 1962, \$500 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....		146	218
Positions other than permanent.....		10	15
Total personnel compensation.....		156	233
12 Personnel benefits.....		12	17
21 Travel and transportation of persons.....		10	17
22 Transportation of things.....		1	1
23 Rent, communications, and utilities.....		1	5
24 Printing and reproduction.....		1	5
25 Other services.....		802	712
26 Supplies and materials.....		2	5
31 Equipment.....		15	5
Total obligations.....		1,000	1,000

Personnel Summary

Total number of permanent positions.....		27	27
Full-time equivalent of other positions.....		1	2
Average number of all employees.....		19	29
Number of employees at end of year.....		30	30
Average GS grade.....		8.9	8.9
Average GS salary.....		\$7,785	\$7,790

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, [\$42,300] \$70,000.

[For an additional amount for "Salaries and expenses", \$26,700.] (Department of the Interior and Related Agencies Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total costs—obligations).....	42	69	70
Financing:			
New obligational authority.....	42	69	70
New obligational authority:			
Appropriation.....	42	69	70

The Commission advises the President, Congress, and department heads on matters of architecture, sculpture, painting, and other fine arts.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	28	49	53
12 Personnel benefits.....	2	3	3
21 Travel and transportation of persons.....	5	7	7
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	1	4	2
25 Other services.....	3	3	3
26 Supplies and materials.....	1	1	1
31 Equipment.....	1	1	1
Total obligations.....	42	69	70

Personnel Summary

Total number of permanent positions.....	4	6	6
Average number of all employees.....	4	6	6
Number of employees at end of year.....	4	6	6
Average GS grade.....	9.2	10.6	10.6
Average GS salary.....	\$7,061	\$8,781	\$8,864

BONNEVILLE POWER ADMINISTRATION

Current authorizations:

CONSTRUCTION

For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, **[\$18,720,000]** \$15,706,000, 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Construction in progress.....	10,821	13,909	8,191
2. New construction.....	8,951	5,328	6,885
3. General plant.....	600	796	630
Total direct obligations.....	20,372	20,033	15,706
Reimbursable obligations: Service performed for—			
(a) Operation and maintenance.....	1,017	1,090	1,350
(b) Other accounts.....	440	485	496
(c) Non-Federal sources.....	172	155	131
Total reimbursable obligations.....	1,629	1,730	1,977
Total obligations.....	22,001	21,763	17,683
Financing:			
Unobligated balance brought forward.....	-430	-1,313	-----
Advances and reimbursements from—			
Other accounts.....	-1,457	-1,575	-1,846
Non-Federal sources (16 U.S.C. 832(a), (h)).....	-172	-155	-131

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward.....	1,313	-----	-----
New obligational authority.....	21,255	18,720	15,706
New obligational authority:			
Appropriation.....	21,450	18,720	15,706
Transferred to "Operation and maintenance" (74 Stat. 47).....	-195	-----	-----
Appropriation (adjusted).....	21,255	18,720	15,706

The Administration is responsible for the marketing of electric power produced at 20 Federal hydroelectric generating plants in service or under construction and wheels power from certain non-Federal plants in the Pacific Northwest.

Transmission facilities programed are associated with generating capacity at Federal plants shown on the following schedule:

	First generation (fiscal year)	Installed capacity (kilowatts, name plate rating)
Projects in operation (July 1, 1961).....	---	6,189,250
Additional generation under construction:		
Hills Creek.....	1962	30,000
Ice Harbor.....	1962	270,000
Cougar.....	1963	25,000
Total.....	---	6,514,250

The transmission facilities program also will enable the Administration to wheel power over the Federal grid from the non-Federal Rocky Reach, Mayfield, Carmen-Smith and Wanapum Dams.

The amounts of peak generating capacity on the Federal system at the beginning and end of the 1962 budget construction period follow (in kilowatts):

	July 1, 1961	July 1, 1962
Federal projects.....	7,087,000	7,461,000
Power wheeled from non-Federal projects.....	838,000	1,811,000
Total.....	7,925,000	9,272,000

1. *Construction in progress.*—Includes amounts requested in 1962 to carry forward work on transmission facilities started in prior years.

2. *New construction.*—Includes the amounts needed in 1962 to start construction of new transmission and substation capacity to carry to load centers the power production of generating installations scheduled to be in operation by July 1965 and to meet service requirements of power customers.

3. *General plant.*—Provision is made for acquisition of items such as tools; office, shop, laboratory, and transportation equipment; 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 (in thousands of dollars):

BONNEVILLE POWER ADMINISTRATION—Continued

Current authorizations—Continued

CONSTRUCTION—Continued

PROGRAM BY ACTIVITIES	Costs to this appropriation					Analysis of 1962 financing				
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete	Percent cost complete through 1962
	Direct program:									
1. Construction in progress.....	45,810	11,743	15,530	9,524	3,190	6,754	5,451	1,887	372	87
2. New construction:										
1960.....	17,814		3,330	10,207	4,277	2,784		1,493		100
1961.....	18,337			2,917	8,403	4,340	748	4,811	6,269	62
1962.....	13,530				2,809	257	4,333	6,885	6,388	21
3. General plant.....	2,026		403	828	630	165	165	630		
Total direct program costs.....	97,517	11,743	19,263	23,476	19,309	14,300	10,697	15,706	13,029	
4. Relation of costs to obligations:										
Costs financed from obligation of other years, net (-).....				-3,443	-3,603					
Obligations incurred for costs of other years, net.....			1,109							
Total direct program obligations.....			20,372	20,033	15,706					
Reimbursable program:										
Services performed for—										
(a) Operation and maintenance.....			1,017	1,090	1,350					
(b) Other accounts.....			440	485	496					
(c) Non-Federal sources (16 U.S.C. 832 (a), (h)).....			172	155	131					
Total reimbursable program costs—obligations.....			1,629	1,730	1,977					
Total obligations.....			22,001	21,763	17,683					

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	5,819	5,059	4,600	4,200
Undelivered orders (appropriation balances obligated for goods and services on order not yet delivered).....	10,450	12,451	9,700	6,497
Deferred items (net charges not assigned to specific projects).....	364	233		
Total selected resources at end of year.....	16,633	17,743	14,300	10,697
Selected resources at start of year (-).....	-16,633	-17,743	-14,300	-14,300
Costs financed from obligations of other years, net (-).....			-3,443	-3,603
Obligations incurred for costs of other years, net.....		1,109		

Object Classification (in thousands of dollars)				
	1960 actual	1961 estimate	1962 estimate	
11 Personnel compensation:				
Permanent positions.....	7,164	7,371	6,957	
Positions other than permanent.....	188	408	100	
Other personnel compensation.....	120	121	80	
Add excess of annual leave earned over leave taken.....		68		
Deduct excess of annual leave taken over leave earned.....	34		100	
Total personnel compensation.....	7,438	7,968	7,037	
12 Personnel benefits.....	521	595	535	
21 Travel and transportation of persons.....	703	740	545	
22 Transportation of things.....	285	310	262	
23 Rent, communications, and utilities.....	178	205	195	
24 Printing and reproduction.....	3	4	4	
25 Other services.....	157	291	160	
26 Supplies and materials.....	5,471	3,150	2,555	
31 Equipment.....	2,139	2,640	3,661	

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
32 Lands and structures.....	5,106	5,860	2,729
Total obligations.....	22,001	21,763	17,683

Personnel Summary

Total number of permanent positions.....	1,162	1,101	1,096
Full-time equivalent of other positions.....	35	69	17
Average number of all employees.....	1,135	1,134	1,029
Number of employees at end of year.....	1,185	1,205	1,092
Average GS grade.....	8.2	8.3	8.3
Average GS salary.....	\$6,742	\$7,327	\$7,331
Average salary of ungraded positions.....	\$6,581	\$6,887	\$6,889

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of the Bonneville transmission system and of marketing electric power and energy, **[\$10,800,000] \$12,350,000.** (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. System operation and maintenance.....	8,967	9,643	10,573
2. Purchase of energy and wheeling charges.....			370
3. Power contracts and rates.....	319	368	368
4. General administration.....	858	1,036	1,039
Total program costs.....	10,144	11,047	12,350
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	34		
Total obligations.....	10,178	11,047	12,350

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	11		
New obligational authority.....	10,189	11,047	12,350
New obligational authority:			
Appropriation.....	9,994	11,047	12,350
Transferred from "Construction" (74 Stat. 47).....	195		
Appropriation (adjusted).....	10,189	10,800	12,350
Proposed supplemental due to pay increases.....		247	

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, and in wheeling power from non-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. The system will be operated and maintained at a level which will insure safe operation and provide a reliable grade of service to customers. 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:

	1960 actual	1961 estimate	1962 estimate
Transmission plant in service (millions).....	\$446.6	\$461	\$495
Transmission lines (structure miles).....	7,462	7,555	7,703
Number of substations.....	193	201	207
Transformer capacity (kilovolt-amperes).....	14,005,000	14,109,000	14,558,000
Energy sales (millions of kilowatt hours).....	29,700	28,200	29,200
Points of delivery.....	360	374	380
Firm wheeling for non-Federal projects (kilowatts).....	374,000	560,000	838,000

2. *Purchase of energy and wheeling charges.*—Contract arrangements with certain customers provide annual settlements of energy exchange accounts on a net balance basis. Funds are provided for the first time to cover such a payment to a utility customer.

3. *Power contracts and rates.*—This activity provides for the negotiation of power sales and wheeling contracts, the billing and servicing of contracts, including the development of service plans, and the establishment of wholesale rate schedules. Receipts which are deposited in the Treasury amounted to \$69,311 thousand in 1960, and are estimated at \$70,000 thousand and \$73,800 thousand for 1961 and 1962.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$133 thousand; 1959 (adjusted), \$127 thousand; 1960, \$161 thousand; 1961, \$161 thousand; 1962, \$161 thousand.

A supplemental appropriation is anticipated for 1961 under Proposed for later transmission. Legislation will be proposed to put the accounts of this administration on a revolving fund basis.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,736	7,324	7,765
Positions other than permanent.....	130	135	131
Other personnel compensation.....	152	141	155
Add excess of annual leave earned over leave taken.....	65	111	48
Total personnel compensation.....	7,083	7,711	8,099
12 Personnel benefits.....	497	600	618
21 Travel and transportation of persons.....	263	286	290
22 Transportation of things.....	109	120	120
23 Rent, communications, and utilities.....	295	357	360
24 Printing and reproduction.....	2	3	3
25 Other services.....	317	395	880
Services of other accounts.....	1,017	1,090	1,350
26 Supplies and materials.....	595	485	630
Total obligations.....	10,178	11,047	12,350

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	987	1,031	1,039
Full-time equivalent of other positions.....	27	25	25
Average number of all employees.....	985	1,002	1,060
Number of employees at end of year.....	1,028	1,068	1,121
Average GS grade.....	8.2	8.3	8.3
Average GS salary.....	\$6,742	\$7,327	\$7,331
Average salary of ungraded positions.....	\$6,581	\$6,887	\$6,889

ADMINISTRATIVE PROVISIONS

Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law [], including purchase of one aircraft for replacement only]. Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

Other than as may be necessary to meet local emergencies, not to exceed 12 per centum of the appropriation for construction herein made for the Bonneville Power Administration shall be available for construction work by force account or on a hired-labor basis. (16 U.S.C. 832-832l; Executive Order 8526; 43 U.S.C. 593-A; 16 U.S.C. 825s; 59 Stat. 10, 21-22; 62 Stat. 382; 43 U.S.C. 389, 485h; Public Works Appropriation Act, 1961.)

Permanent authorizations:

CONTINUING FUND FOR EMERGENCY EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-500	-500	-500
Unobligated balance carried forward.....	500	500	500
New obligational authority (appropriation).....			

A continuing fund of \$500 thousand, maintained from power receipts, is used to defray expenses incurred under emergency conditions and to insure continuous operation

BONNEVILLE POWER ADMINISTRATION—Con.

Permanent authorizations—Continued

CONTINUING FUND FOR EMERGENCY EXPENSES—Continued
of the Bonneville Power Administration transmission system (16 U.S.C. 832).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Consolidated administrative services.....	405	428	435
2. Miscellaneous services to other accounts....	500	322	315
Total obligations.....	905	750	750
Financing:			
Advances and reimbursements from—			
Other accounts.....	826	707	704
Non-Federal sources (40 U.S.C. 481(c)).....	79	43	46
Total financing.....	905	750	750

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	393	390	403
Positions other than permanent.....	1	12	13
Other personnel compensation.....	2	3	2
Total personnel compensation.....	396	405	418
12 Personnel benefits.....	23	31	32
21 Travel and transportation of persons.....	10	13	13
22 Transportation of things.....	2	3	3
23 Rent, communications, and utilities.....	77	81	81
24 Printing and reproduction.....	2	1	1
25 Other services.....	70	9	9
Services of other accounts.....	140	106	117
26 Supplies and materials.....	60	58	30
31 Equipment.....	125	43	46
Total obligations.....	905	750	750

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	66	62	64
Full-time equivalent of other positions.....		2	2
Average number of all employees.....	64	64	65
Number of employees at end of year.....	67	68	69
Average GS grade.....	8.2	8.3	8.3
Average GS salary.....	\$6,742	\$7,327	\$7,331
Average salary of ungraded positions.....	\$6,581	\$6,887	\$6,889

Proposed for later transmission:

OPERATION AND MAINTENANCE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. System operation and maintenance.....		237	
3. General administration.....		3	
Total program costs—obligations.....		240	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
New obligational authority (proposed supplemental appropriation).....		240	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$240 thousand is anticipated to finance increased wage rates for hourly craft-type employees.

SOUTHEASTERN POWER ADMINISTRATION

Current authorizations:

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, [including purchase of one passenger motor vehicle for replacement only,] \$800,000. (*Public Works Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. System operation and maintenance.....	76	86	86
2. Purchase of energy and wheeling charges.....	1,961	2,770	2,766
3. Power contracts and rates.....	95	107	109
4. General administration.....	78	89	89
Total program costs ¹	2,210	3,052	3,050
5. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—1	—2	
Total obligations.....	2,209	3,050	3,050
Financing:			
Advances and reimbursements from non-Federal sources.....	—1,891	—2,250	—2,250
Unobligated balance lapsing.....	399		
New obligational authority (appropriation)	717	800	800

¹ Includes capital outlay as follows: 1960, \$3 thousand; 1961, \$3 thousand; 1962, \$3 thousand.

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—Civil 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:

	First generation (fiscal year)	Installed capacity (kilowatts—name-plate 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

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 energy 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.*—Provision is made 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 \$17,878 thousand in 1960 and are estimated at \$17,900 thousand and \$17,140 thousand for 1961 and 1962.

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

	1959 actual	1960 actual	1961 estimate	1962 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	1	1	1
Accrued annual leave (leave earned and not taken by employees, charged to activity costs) (—).....	—28	—28	—30	—30
Total selected resources at end of year.....	—26	—27	—29	—29
Selected resources at start of year.....	26	27	29	29
Costs financed from obligations of other years, net (—).....	—1	—2	—	—

Legislation will be proposed to put the accounts of this administration on a revolving fund basis.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	213	237	241
Other personnel compensation.....	2	1	1
Total personnel compensation.....	215	238	242
12 Personnel benefits.....	15	19	19
21 Travel and transportation of persons.....	4	6	6
23 Rent, communications, and utilities.....	4	5	5
24 Printing and reproduction.....	1	1	1
25 Other services.....	1,965	2,775	2,771
26 Supplies and materials.....	3	3	3
31 Equipment.....	2	3	3
Total obligations.....	2,209	3,050	3,050

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	36	35	35
Average number of all employees.....	33	34	34
Number of employees at end of year.....	34	35	35
Average GS grade.....	7.9	7.9	8.0
Average GS salary.....	\$6,563	\$7,123	\$7,248
Average salary of ungraded positions.....	\$3,182	\$3,328	\$3,328

Permanent authorizations:

CONTINUING FUND

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	—50	—50	—50
Unobligated balance carried forward.....	50	50	50
New obligational authority (appropriation).....	—	—	—

A continuing fund of \$50 thousand maintained from receipts for the transmission and sale of electric power in the southeastern area, is available to defray emergency expense 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, **[\$1,325,000]** \$950,000, to remain available until expended. (*Public Works Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction in progress.....	240	46	—
2. New construction and additions.....	760	1,423	950
Total obligations.....	1,000	1,469	950
Financing:			
Unobligated balance brought forward.....	—286	—144	—
Unobligated balance carried forward.....	144	—	—
New obligational authority (appropriation).....	858	1,325	950

The Administration is responsible for marketing of power produced at 14 Corps of Engineers—Civil dams in the Southwest. A schedule of Federal generation through 1965 of plants in operation and under construction in this area follows:

Project	First generation (fiscal year)	Installed capacity (kilowatts)	
		Current or first year	Total scheduled
Projects in operation.....	—	601,000	881,000
Projects under construction:			
Eufaula.....	1964	90,000	90,000
Greers Ferry.....	1964	96,000	96,000
Beaver.....	1965	112,000	112,000
Dardanelle.....	1965	124,000	124,000
McGee Bend.....	1965	52,000	52,000
Total.....		1,075,000	1,355,000

SOUTHWESTERN POWER ADMINISTRATION— Continued

Current authorizations—Continued

CONSTRUCTION—Continued

1. *Construction in progress.*—Construction of facilities started in former years will be completed during the budget year.

PROGRAM BY ACTIVITIES	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1950	1960 actual	1961 estimate	1962 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete
1. Construction in progress.....	2,560	1,470	975	115	---	---	---	---	---
2. New construction and additions:									
1960.....	829	---	534	295	---	---	---	---	---
1961.....	1,325	---	---	1,075	250	250	---	---	---
1962.....	950	---	---	---	650	---	300	950	---
Total program costs.....	5,664	1,470	1,509	1,485	900	250	300	950	---
3. Relation of costs to obligations:									
Cost financed from obligations of other years, net (—).....	---	---	—509	—17	---	---	---	---	---
Obligations incurred for cost of other years, net.....	---	---	---	---	50	---	---	---	---
Total obligations.....	---	---	1,000	1,469	950	---	---	---	---

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$775 thousand; 1959 (adjusted), \$645 thousand; 1960, \$136 thousand; 1961, \$119 thousand; 1962, \$169 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	90	90	90
Positions other than permanent.....	18	7	5
Other personnel compensation.....	2	2	2
Total personnel compensation.....	110	99	97
12 Personnel benefits.....	6	6	6
21 Travel and transportation of persons.....	22	15	15
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	1	1	1
25 Other services.....	11	42	36
26 Supplies and materials.....	69	134	100
31 Equipment.....	620	1,130	693
32 Lands and structures.....	161	40	---
Total obligations.....	1,000	1,469	950

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	15	14	14
Full time equivalent of other positions.....	6	2	1
Average number of all employees.....	21	15	14
Number of employees at end of year.....	9	10	10
Average GS grade.....	7.9	8.0	8.0
Average GS salary.....	\$6,483	\$6,981	\$7,091
Average salary of ungraded positions.....	\$5,291	\$5,414	\$5,414

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 [six] four passenger motor

2. *New construction and additions.*—Provision is made for added substation capacity, in addition to metering, and communications equipment and general plant equipment.

Program costs to this appropriation are presented in the following table (in thousands of dollars):

PROGRAM BY ACTIVITIES	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1950	1960 actual	1961 estimate	1962 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1962	Appropriation required to complete
1. Construction in progress.....	2,560	1,470	975	115	---	---	---	---	---
2. New construction and additions:									
1960.....	829	---	534	295	---	---	---	---	---
1961.....	1,325	---	---	1,075	250	250	---	---	---
1962.....	950	---	---	---	650	---	300	950	---
Total program costs.....	5,664	1,470	1,509	1,485	900	250	300	950	---
3. Relation of costs to obligations:									
Cost financed from obligations of other years, net (—).....	---	---	—509	—17	---	---	---	---	---
Obligations incurred for cost of other years, net.....	---	---	---	---	50	---	---	---	---
Total obligations.....	---	---	1,000	1,469	950	---	---	---	---

vehicles[, of which four are] for replacement only, [\$1,250,000] \$1,310,000. (Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. System operation and maintenance.....	1,282	1,388	1,423
2. Power contracts and rates.....	79	119	118
3. General administration.....	448	475	493
Total program costs.....	1,809	1,982	2,034
4. Unfunded adjustment to total program costs: Depreciation included above (—).....	—695	—715	—725
Total program costs, funded.....	1,114	1,267	1,309
5. Relation of cost to obligations: Obligations incurred for cost of other years, net.....	1	2	1
Total obligations.....	1,115	1,269	1,310
Financing:			
Unobligated balance lapsing.....	6	---	---
New obligational authority.....	1,121	1,269	1,310
New obligational authority:			
Appropriation.....	1,121	1,250	1,310
Proposed supplemental due to pay increases.....	---	19	---

Power developed at Corps of Engineers—Civil 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.

1. *System operation and maintenance.*—The Administration operates and maintains a transmission system as follows (dollars in thousands):

	1960 actual	1961 estimate	1962 estimate
Transmission system in service.....	\$24,548	\$27,050	\$27,910
Transmission lines, miles.....	1,061	1,061	1,061
Number of substations.....	8	8	8

2. *Power contracts and rates.*—This includes (a) negotiation 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.

Receipts which are deposited in the Treasury amounted to \$8,538 thousand in 1960, and are estimated at \$8,364 thousand and \$9,262 thousand for 1961 and 1962.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventory and items on order: Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	4	5	7	8
Accrued annual leave (leave earned but not taken by employees, charged to activity costs).....	-48	-48	-48	-48
Total selected resources at end of year.....	-44	-43	-41	-40
Selected resources at start of year.....		44	43	41
Obligations incurred for costs of other years, net..		1	2	1

Legislation will be proposed to put the accounts of this administration on a revolving fund basis.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	786	884	933
Positions other than permanent.....	4	25	21
Other personnel compensation.....	29	30	27
Total personnel compensation.....	819	939	981
12 Personnel benefits.....	57	71	72
21 Travel and transportation of persons.....	97	99	99
22 Transportation of things.....	1	3	3
23 Rent, communications, and utilities.....	35	39	39
24 Printing and reproduction.....	5	6	6
25 Other services.....	35	40	40
26 Supplies and material.....	58	62	62
31 Equipment.....	8	10	8
Total obligations.....	1,115	1,269	1,310

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	131	144	144
Full time equivalent of other positions.....	1	8	8
Average number of all employees.....	128	146	151
Number of employees at end of year.....	144	148	148
Average GS grade.....	7.9	8.0	8.0
Average GS salary.....	\$6,483	\$6,981	\$7,091
Average salary of ungraded positions.....	\$5,291	\$5,414	\$5,414

CONTINUING FUND

(Indefinite special fund)

Not to exceed \$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, 1961.*)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance at beginning of year...	10,303	7,113	4,477
Receipts.....	443	2,364	5,262
Total available for appropriation.....	10,747	9,477	9,739
Returned to unappropriated receipts.....	1,366		
Deduct appropriation.....	5,000	5,000	5,000
Unappropriated balance at end of year.....	7,113	4,477	4,739

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Purchase of energy and wheeling charges.....	8,713	8,779	9,362
2. Rentals for use of transmission facilities.....	1,372	889	900
3. Emergency expenses.....	19		
Total program costs—obligations.....	10,104	9,668	10,262
Financing:			
Unobligated balance brought forward.....	-300	-300	-300
Advances and reimbursements from non-Federal sources.....	-6,470	-4,668	-5,262
Unobligated balance carried forward.....	300	300	300
Unobligated balance lapsing.....	1,366		
New obligational authority.....	5,000	5,000	5,000
New obligational authority:			
Appropriation:			
Current indefinite.....	4,981	5,000	5,000
Permanent indefinite.....	19		
Appropriation.....	5,000	5,000	5,000

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.

This fund, accumulated from power receipts, is available permanently for emergency expenses necessary to insure continuity of service. It is also available in such amounts as may be approved annually in appropriation acts to cover costs in connection with the purchase of electric power and rentals for use of facilities for transmission and distribution of power. Electric power is purchased from private utilities and generating and transmission cooperatives. Power is transmitted to customers through wheeling arrangements with private utilities, and through lease of the transmission capacity in facilities owned by the generating and transmission cooperatives (16 U.S.C. 825s-1).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	9		
21 Travel and transportation of persons.....	1		
25 Other services.....	10,087	9,668	10,262
26 Supplies and materials.....	4		
31 Equipment.....	3		
Total obligations.....	10,104	9,668	10,262

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	3		
Number of employees at end of year.....	9		

BUREAU OF LAND MANAGEMENT

The Bureau of Land Management administers 477 million acres of public lands for the purpose of conserving forest, range, mineral, and water resources. In addition, the Bureau administers mining and mineral leasing on other federally owned lands, on former Federal lands where the minerals have been reserved in public ownership for all the people, and on the submerged lands of the Outer Continental Shelf.

The work of the Bureau produces revenue from various sources which is distributed as follows (in millions of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Total receipts.....	136	371	218	279
Payments to States and counties.....	-51	-52	-52	-58
Deposited in the Treasury.....	85	319	166	221

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, [\$25,950,000] \$30,342,000.

[For an additional amount for "Management of lands and resources", \$1,425,000.] (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, 1961, Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Lease and disposal of lands and mineral resources.....	7,140	8,239	8,938
2. Management of grazing lands.....	2,544	3,076	3,533
3. Forestry.....	5,511	6,035	6,674
4. Cadastral surveys.....	2,783	2,902	3,570
5. Soil and moisture conservation.....	3,722	5,218	4,307
6. Fire suppression.....	2,951	400	400
7. Maintenance of physical facilities.....	49	50	100
8. Maintenance of access roads.....			25
9. Weed control.....	834	800	918
10. General administration.....	1,512	1,651	1,877
Total obligations.....	27,046	28,371	30,342
Financing:			
Comparative transfers to other accounts.....	747		
Unobligated balance lapsing.....	24		
New obligational authority.....	27,817	28,371	30,342
New obligational authority:			
Appropriation.....	27,852	27,375	30,342
Transferred to "Construction" (73 Stat. 102).....	-35		
Appropriation (adjusted).....	27,817	27,375	30,342
Proposed supplemental due to pay increases.....		996	

1. *Lease and disposal of lands and mineral resources.*—Applications are acted upon for all types of land use and for lease of mineral resources, principally oil and gas. Field investigations are made to determine the best use of resources. General information is disseminated to the public. Land records are being modernized. The increase for 1962 will provide for additional workload in

adjudication of applications and field examination and classification. The status of land and minerals adjudication case workload is summarized below:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Cases pending, start of year.....	95,296	100,675	105,246	93,000
New and reactivated cases.....	178,697	259,107	308,000	328,000
Cases closed.....	173,318	254,536	320,246	330,000
Cases pending, end of year.....	100,675	105,246	93,000	91,000

2. *Management of grazing lands.*—The 176 million acres of Federal range (exclusive of Alaska) used by nearly 29,000 stockmen are supervised. Proper management of these lands provides protection from fire, erosion, overuse, unseasonal use and trespass, thereby perpetuating forage resources. The increase for 1962 will accelerate the conduct of resource inventories, increase attention to multiple-use management of the public lands, and will expand substantially all aspects of fire presuppression.

3. *Forestry.*—A total of 46 million acres of commercial forest lands and 114 million acres of woodland-type lands are managed. The 1962 program includes the sale of 1.2 billion board feet of timber for anticipated receipts of \$41 million. The increase in 1962 will provide for improved management and development of forest resources and for increased fire protection in Alaska.

4. *Cadastral surveys.*—Surveys are performed to locate and identify legal boundaries of lands under application for lease or disposal, including submerged lands on the Outer Continental Shelf; administer timber sales; manage forest and range lands; provide legal descriptions needed by other Federal agencies; and to permit States to obtain title to lands granted them by law. The increase in 1962 will provide for additional surveys especially in Alaska.

5. *Soil and moisture conservation.*—Public lands in critical condition from erosion are conserved and rehabilitated. The 1962 program will benefit 1,841,000 acres. Cooperative programs will continue with other agencies in river basin areas. The net reduction in 1962 is due to completion of emergency rehabilitation work performed in 1961.

6. *Fire suppression.*—Fires are fought which are on or threatening lands under the jurisdiction of the Bureau of Land Management. During the first 3 months of fiscal year 1961 over 350,000 acres were burned and costs of suppression were in excess of \$2.9 million. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

7. *Maintenance of physical facilities.*—Physical maintenance is provided for about 330 structures used as storehouses, equipment shelters, fire crew barracks and similar purposes. The increase in 1962 will provide for increasing costs of current and deferred maintenance.

8. *Maintenance of access roads.*—Maintenance is provided for access roads on Coos Bay Wagon Road grant lands and on the public domain.

9. *Weed control.*—Areas infested by halogeton, Medusa rye, host plants to the beet leafhopper, and other poisonous and noxious weeds are treated. The increase in 1962 will permit an expansion of this program.

10. *General administration.*—Executive direction is provided and services such as accounting, personnel administration, procurement, budgeting, and internal auditing are performed in support of the programs of the Bureau. The increase in 1962 will provide for replacement of accounting machines and more adequate staffing for administrative activities.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	13,550	15,689	16,429
Positions other than permanent.....	1,340	1,444	1,897
Other personnel compensation.....	1,711	805	756
Total personnel compensation.....	16,601	17,938	19,082
12 Personnel benefits.....	1,069	1,170	1,230
21 Travel and transportation of persons.....	1,581	1,591	1,643
22 Transportation of things.....	501	385	445
23 Rent, communications, and utilities.....	619	585	660
24 Printing and reproduction.....	176	212	227
25 Other services.....	3,599	3,645	4,147
Services of other agencies.....	54	55	60
26 Supplies and materials.....	2,052	2,120	2,160
31 Equipment.....	785	682	700
32 Lands and structures.....	22		
Subtotal.....	27,059	28,383	30,354
Deduct quarters and subsistence charges.....	13	12	12
Total obligations.....	27,046	28,371	30,342

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2,450	2,613	2,739
Full-time equivalent of other positions.....	463	375	485
Average number of all employees.....	2,779	2,796	2,997
Number of employees at end of year.....	2,996	3,631	3,830
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$5,835	\$6,375	\$6,387
Average salary of ungraded positions.....	\$5,794	\$5,761	\$5,761

CONSTRUCTION

For construction of access roads, acquisition of rights-of-way and of existing connecting roads (other than on [or adjacent to] the revested Oregon and California Railroad grant lands), and acquisition and construction of [buildings and] buildings, appurtenant facilities, [\$350,000] and other improvements, \$750,000, to remain available until expended. (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, 1961.)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Access roads.....	44	477	350
2. Buildings.....	102	186	200
3. Recreational facilities.....	1		200
Total obligations.....	147	663	750
Financing:			
Comparative transfers to other accounts.....	5,653		
Unobligated balance brought forward.....	-4,698	-4,066	-1
Unobligated balance transferred to "Oregon and California grant lands" (74 Stat. 105).....		3,752	
Unobligated balance carried forward.....	4,066	1	1
New obligational authority.....	5,168	350	750
New obligational authority:			
Appropriation:			
Definite.....	200	350	750
Indefinite.....	4,933		
Transferred from "Management of lands and resources" (73 Stat. 102).....	35		
Appropriation (adjusted):			
Definite.....	235	350	750
Indefinite.....	4,933		

1. *Access roads.*—Rights-of-way are acquired and roads are constructed on public domain and Coos Bay Wagon Road grant lands to afford access to stands of marketable timber. Service roads to recreational areas are also provided.

2. *Buildings.*—Provision is made to house supplies, equipment, and personnel at isolated locations, principally in connection with fire control measures in Alaska.

3. *Recreational facilities.*—Minimum facilities are provided for outdoor recreation on certain public domain lands to be retained in Federal ownership for multiple-use management and where public use has become extremely heavy.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
11 Personnel compensation:			
Permanent positions.....	12	14	43
Positions other than permanent.....	10	60	63
Other personnel compensation.....	4	4	4
Total personnel compensation.....	26	78	110
12 Personnel benefits.....	1	3	7
21 Travel and transportation of persons.....	9	16	25
22 Transportation of things.....	1	1	5
23 Rent, communications, and utilities.....		1	3
25 Other services.....	26	250	278
26 Supplies and materials.....	12	38	44
31 Equipment.....			6
32 Lands and structures.....	72	149	272
Total, Bureau of Land Management.....	147	536	750
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....		17	
Positions other than permanent.....		3	
Total personnel compensation.....		20	
12 Personnel benefits.....		2	
21 Travel and transportation of persons.....		7	
23 Rent, communications, and utilities.....		3	
25 Other services.....		1	
Services of other agencies.....		8	
32 Lands and structures.....		86	
Total, Bureau of Public Roads.....		127	
Total obligations.....	147	663	750

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions.....	2	2	9
Full time equivalent of other positions.....	2	14	17
Average number of all employees.....	5	16	24
Number of employees at end of year.....	2	15	24
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$5,835	\$6,375	\$6,387
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....		5	
Full time equivalent of other positions.....		1	
Average number of all employees.....		4	
Number of employees at end of year.....		3	
Average GS grade.....		8.3	
Average GS salary.....		\$7,305	

BUREAU OF LAND MANAGEMENT—Continued

Current authorizations—Continued

OREGON AND CALIFORNIA GRANT LANDS

(Receipt limitation) (indefinite)

For construction, operation, and maintenance of access roads, reforestation, and other improvements on the revested Oregon and California Railroad grant lands, on rights-of-way adjacent thereto, and on other Federal lands in the Oregon and California land-grant counties of Oregon; and acquisition of rights-of-way and of existing connecting roads on or adjacent to such lands; an amount equivalent to 25 per centum of the aggregate of all receipts during the current fiscal year from such lands, to remain available until expended: *Provided*, That the amount appropriated herein for road construction shall be transferred to the Bureau of Public Roads, Department of Commerce; *Provided further*, That the amount appropriated herein 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) [*Provided further*, That any unexpended balances heretofore appropriated under the head "Construction", for construction of access roads and acquisition of rights-of-way and of existing connecting roads on or adjacent to the revested Oregon and California Railroad grant lands shall be merged with this appropriation]. (16 U.S.C. 588, 594; 43 U.S.C. 1, 2; 50 Stat. 874; 69 Stat. 374; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction and acquisition.....	5,653	10,830	7,850
2. Reforestation and improvements.....	500	672	1,050
3. Operation and maintenance.....	247	250	300
Total obligations.....	6,400	11,752	9,200
Financing:			
Comparative transfers from (-) other accounts.....	-6,400		
Unobligated balance transferred from "Construction" (74 Stat. 105).....		-3,752	
New obligational authority (appropriation).....		8,000	9,200

Twenty-five percent of the revenue from the revested Oregon and California grant lands is made available for the following:

1. *Construction and acquisition.*—Provision is made for construction of roads, acquisition of existing connecting roads and rights-of-way for roads into stands of high-value timber.
2. *Reforestation and improvements.*—Provision is made for reforestation of Oregon and California timberlands and development of recreation facilities.
3. *Operation and maintenance.*—Provision is made for maintenance of recreational facilities and of access roads to highly valuable stands of timber.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
11 Personnel compensation:			
Permanent positions.....	385	425	488
Positions other than permanent.....	57	60	92
Other personnel compensation.....	7	7	8
Total personnel compensation.....	449	492	588
12 Personnel benefits.....	30	34	35
21 Travel and transportation of persons.....	58	60	60
22 Transportation of things.....	6	5	5

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
23 Rent, communications, and utilities.....	21	23	22
25 Other services.....	244	249	247
26 Supplies and materials.....	87	75	75
31 Equipment.....	33	25	25
32 Lands and structures.....	231	1,976	1,308
Total, Bureau of Land Management.....	1,159	2,939	2,365
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....	527	477	485
Positions other than permanent.....	59	60	60
Other personnel compensation.....	13	11	9
Total personnel compensation.....	599	548	554
12 Personnel benefits.....	51	47	47
21 Travel and transportation of persons.....	178	176	176
23 Rent, communications, and utilities.....	74	70	70
25 Other services.....	12	12	12
Services of other agencies.....	275	205	205
26 Supplies and materials.....	11	2	2
32 Lands and structures.....	4,041	7,753	5,769
Total, Bureau of Public Roads.....	5,241	8,813	6,835
Total obligations.....	6,400	11,752	9,200

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
Total number of permanent positions.....	65	65	76
Full time equivalent of other positions.....	16	16	24
Average number of all employees.....	78	78	96
Number of employees at end of year.....	85	85	95
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$5,835	\$6,375	\$6,387
Average salary of ungraded positions.....	\$5,794	\$5,761	\$5,761
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....	110	110	125
Full time equivalent of other positions.....	17	17	21
Average number of all employees.....	119	119	136
Number of employees at end of year.....	67	70	80
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Land Management shall be available for purchase of [twenty-eight] *seventeen* passenger motor vehicles for replacement only; purchase of two aircraft (one of which shall be 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 expenditures made under the appropriation "Oregon and California grant lands") shall be reimbursed from the 25 per centum referred to in subsection (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 appropriations herein made 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 contributions may be accepted toward the costs of administration, management, and protection of lands under the jurisdiction of the Bureau of Land Management and of surveying federally controlled or intermingled lands].

[The limitation under this head in the Department of the Interior and Related Agencies Appropriation Act, 1961, on the number of aircraft that may be purchased is increased from two to three, of which two are for replacement only.] (Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

RANGE IMPROVEMENTS

(Receipt limitation) (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 improvements fees under section 3 of said Act, 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Improvements to—			
Public lands.....	884	953	852
Farm Tenant Act lands.....		77	80
Total obligations.....	884	1,030	932
Financing:			
Unobligated balance brought forward.....	-297	-182	-15
Unobligated balance carried forward.....	182	15	
New obligational authority (appropriation)	769	863	917

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 by Executive Order 10787. 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). On Bankhead-Jones lands, 25% of the fees from grazing are designated as available for range improvements.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	126	173	173
Positions other than permanent.....	149	151	151
Other personnel compensation.....	2	1	1
Total personnel compensation.....	277	325	325
12 Personnel benefits.....	13	16	16
21 Travel and transportation of persons.....	23	23	23
22 Transportation of things.....	24	10	10
23 Rent, communications, and utilities.....	6	6	6
25 Other services.....	136	189	124
26 Supplies and materials.....	374	429	400
31 Equipment.....	31	34	30
32 Lands and structures.....	1		
Subtotal.....	885	1,032	934
Deduct quarters and subsistence charges.....	1	2	2
Total obligations.....	884	1,030	932

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	26	27	27
Full-time equivalent of other positions.....	35	35	35
Average number of all employees.....	60	61	61
Number of employees at end of year.....	59	60	60
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$5,835	\$6,375	\$6,387
Average salary of ungraded positions.....	\$5,794	\$5,761	\$5,761

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Construction and rehabilitation," Bureau of Reclamation.

EXPENSES, PUBLIC LAND ADMINISTRATION ACT

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Forest improvement and road maintenance on (total obligations)—			
(a) Oregon and California grant lands.....		800	800
(b) Other public lands.....			
Financing:			
New obligational authority.....		800	800
New obligational authority:			
Appropriation:			
Current indefinite.....		800	
Permanent indefinite.....			800

Public Law 86-649, approved July 14, 1960, permanently appropriated certain moneys to the Secretary of the Interior. Timber purchasers or permittees provide bond or deposit to assure fulfillment of contracts. Users of roads under jurisdiction of the Bureau of Land Management may make deposits for maintenance purposes. Moneys received in forfeiture of such bonds or for road maintenance are available for necessary forest improvement, protection, and rehabilitation, and for road maintenance. Moneys collected on Oregon and California grant lands are available for those lands only and amounts in excess of the cost of doing the work are transferred to miscellaneous receipts (74 Stat. 507-8).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
11 Personnel compensation:			
Positions other than permanent.....		100	100
Other personnel compensation.....			2
Total personnel compensation.....		100	102
12 Personnel benefits.....		7	7
21 Travel and transportation of persons.....		4	4
22 Transportation of things.....		1	1

BUREAU OF LAND MANAGEMENT—Continued**Current authorizations—Continued****EXPENSES, PUBLIC LAND ADMINISTRATION ACT—Continued**

(Indefinite special fund)—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT—Con.			
25 Other services.....		116	115
26 Supplies and materials.....		200	200
31 Equipment.....		98	100
41 Grants, subsidies, and contributions.....		1	21
Total, Bureau of Land Management.....		527	550
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....		110	112
Positions other than permanent.....		4	4
Other personnel compensation.....		2	2
Total personnel compensation.....		116	118
12 Personnel benefits.....		10	10
21 Travel and transportation of persons.....		2	2
22 Transportation of things.....		2	2
23 Rent, communications, and utilities.....		7	7
25 Other services: Services of other agencies.....		71	71
26 Supplies and materials.....		20	20
32 Lands and structures.....		45	20
Total, Bureau of Public Roads.....		273	250
Total obligations.....		800	800

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
Average number of all employees.....		18	18
Number of employees at end of year.....		45	45
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....		19	19
Full-time equivalent of other positions.....		1	1
Average number of all employees.....		18	18
Number of employees at end of year.....		10	10
Average GS grade.....		8.3	8.4
Average GS salary.....		\$7,305	\$7,474

Permanent authorizations:**BUREAU OF LAND MANAGEMENT, PERMANENT APPROPRIATIONS**

(Indefinite special funds unless otherwise indicated)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Expenses, sale of timber, etc., on reclamation lands.....		3	2
2. Leasing of grazing lands.....	1	1	1
3. Payments to Oklahoma (royalties).....	19	11	11
4. Payments to Coos and Douglas Counties, Ore., from receipts, Coos Bay Wagon Road grant lands.....	137	100	100
5. Payments to counties, Oregon and California grant lands.....	14,762	16,259	18,400

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
6. Payments to States (grazing fees).....	1	1	1
7. Payments to States (proceeds of sales).....	274	304	422
8. Payments to States from grazing receipts, etc., public lands outside grazing districts.....	192	250	275
9. Payments to States from grazing receipts, etc., public lands within grazing districts.....	255	262	281
10. Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous.....	3	5	5
11. Payments to States from receipts under Mineral Leasing Act.....	36,439	34,175	38,297
12. Payments to State of Alaska, income and proceeds, Alaska school lands.....	12		
13. Payments to Alaska, coal leases.....	79		
14. Payments due counties, submarginal land program.....	108	280	288
Total obligations.....	52,282	51,651	58,083
Financing:			
Unobligated balance brought forward.....		-1	
Unobligated balance carried forward.....	1		
New obligational authority.....	52,283	51,650	58,083
New obligational authority:			
"Expenses, sale of timber, etc., on reclamation lands".....	1	2	2
"Leasing of grazing lands" (receipt limitation) (general fund).....	1	1	1
"Payments to Oklahoma (royalties)" (receipt limitation) (general fund).....	19	11	11
"Payments to Coos and Douglas Counties, Oregon, from receipts, Coos Bay Wagon Road grant lands".....	137	100	100
"Payments to counties, Oregon and California grant lands".....	14,762	16,259	18,400
"Payments to States (grazing fees).....	1	1	1
"Payments to States (proceeds of sales)" (receipt limitation) (general fund).....	274	304	422
"Payments to States from grazing receipts, etc., public lands outside grazing districts".....	192	250	275
"Payments to States from grazing receipts, etc., public lands within grazing districts".....	255	262	281
"Payments to States from grazing receipts, etc., public lands within grazing districts, miscellaneous".....	3	5	5
"Payments to States from receipts under Mineral Leasing Act".....	36,439	34,175	38,297
"Payments to State of Alaska, income and proceeds, Alaska school lands".....	12		
"Payments to Alaska, coal leases".....	79		
"Payments due counties, submarginal land program, Farm Tenant Act".....	108	280	288
Appropriation.....	52,283	51,650	58,083

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 Oregon and California land-grant fund 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.

14. *Payments due counties, submarginal land program, Farm Tenant Act.*—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).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	1	1	1
41 Grants, subsidies, and contributions.....	52,281	51,650	58,082
Total obligations.....	52,282	51,651	58,083

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Replacement of property sold.....	37	50	50
2. Miscellaneous services.....	697	800	800
Total obligations.....	734	850	850

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	558	648	648
Non-Federal sources.....	176	202	202
Total financing.....	734	850	850

Note.—Reimbursements from non-Federal sources above are from copying fees (64 Stat. 418) from the proceeds of sale of personal property (40 U.S.C. 481 (c)) and from surveys of lands other than those under the jurisdiction of the Bureau of Land Management and protection and leasing of lands and mineral resources for the State of Alaska (Department of the Interior and Related Agencies Appropriation Act, 1961).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	330	384	384
Positions other than permanent.....	50	59	59
Other personnel compensation.....	9	10	11
Total personnel compensation.....	389	453	454
12 Personnel benefits.....	19	23	22
21 Travel and transportation of persons.....	59	66	66
22 Transportation of things.....	8	9	9
23 Rent, communications, and utilities.....	12	13	13
25 Other services.....	136	158	158
26 Supplies and materials.....	88	97	98
31 Equipment.....	23	31	30
Total obligations.....	734	850	850

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	57	55	55
Full time equivalent of other positions.....	24	26	26
Average number of all employees.....	81	81	81
Number of employees at end of year.....	57	55	55
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$5,835	\$6,375	\$6,387

Proposed for later transmission:

MANAGEMENT OF LANDS AND RESOURCES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Fire suppression (total obligations).....		3,700	
Financing:			
New obligational authority (proposed supplemental appropriation).....		3,700	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$3.7 million is anticipated for fighting fires.

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

BUREAU OF INDIAN AFFAIRS—Continued

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; **[\$63,669,000] \$71,521,000.** (25 U.S.C. 13, 631-640; 48 U.S.C. 169, 250a, 250f, Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Educational assistance, facilities, and services.....	50,134	55,414	58,456
2. Welfare and guidance services.....	6,030	5,940	8,394
3. Relocation services.....	2,618	3,053	3,103
4. Maintaining law and order.....	1,111	1,295	1,651
Total operating costs.....	59,893	65,702	71,604
5. Unfunded adjustment to total program costs: Property or services transferred in (-) without charge, net.....	-688	-110	-83
Total program costs, funded.....	59,205	65,592	71,521
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	736		
Total obligations.....	59,941	65,592	71,521
Financing:			
Unobligated balance lapsing.....	894		
New obligational authority.....	60,835	65,592	71,521
New obligational authority:			
Appropriation.....	60,925	63,669	71,521
Applied to contract authorization.....	-559	-469	-620
Contract authorization (new) permanent.....	469	620	620
Proposed supplemental due to pay increases.....		1,772	

1. *Educational assistance, facilities, and services.*—Financial assistance is extended to public schools enrolling Indian children under State and district contracts. Where such facilities are inadequate or nonexistent, the Bureau operates boarding and day schools. Pupils included in the following table under "Dormitories" attend public schools but are domiciled in federally operated dormitories. The figures shown for public schools 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

	1960 actual	1961 estimate	1962 estimate
Boarding schools.....	24,485	27,835	27,835
Dormitories.....	3,814	3,730	3,730
Day schools.....	15,709	16,980	17,580
Public schools.....	38,303	40,595	40,595
Other institutions.....	857	895	1,145
Total.....	83,168	90,035	90,885

2. *Welfare and guidance services.*—Welfare services including direct relief and foster home care are provided for needy adults and children. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

CASE LOADS

	1960 actual	1961 estimate	1962 estimate
Aid to individuals:			
General assistance.....	11,755	12,820	14,200
Child welfare.....	1,992	2,400	2,812
Total.....	13,747	15,220	17,012

3. *Relocation services.*—The relocation program (a) assists Indians from reservations to settle and secure permanent employment in non-Indian communities away from the reservation and (b) 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

	1960 actual	1961 estimate	1962 estimate
Persons relocated.....	3,674	4,400	4,400

4. *Maintaining law and order.*—Police services and tribal court operations are financed on Indian reservations, and special officers direct enforcement of Federal law.

6. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....		403	351	351
Undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	2,601	2,563	2,563	2,563
Advances (payments for goods and services on order not yet received).....	9	5	5	5
Work in process (goods and services to be costed to activities when completed).....	34			
Total selected resources at end of year.....	3,047	2,919	2,919	2,919
Selected resources at start of year (-).....		-3,047	-2,919	-2,919
Adjustment of selected resources reported at start of year.....			864	
Obligations incurred for costs of other years, net.....			736	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	28,596	32,771	33,757
Positions other than permanent.....	1,125	930	930
Other personnel compensation.....	1,082	1,126	1,012
Total personnel compensation.....	30,803	34,827	35,699
12 Personnel benefits.....	1,918	2,640	2,696

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1,530	1,594	1,883
22 Transportation of things.....	641	726	728
23 Rent, communications, and utilities.....	1,109	1,096	1,156
24 Printing and reproduction.....	25	24	24
25 Other services.....	2,293	2,181	2,944
Services of other agencies.....	495	491	491
26 Supplies and materials.....	9,111	9,827	10,732
31 Equipment.....	1,084	884	969
32 Lands and structures.....	2	5	5
41 Grants, subsidies, and contributions.....	12,012	12,294	15,194
Subtotal.....	61,023	66,589	72,518
Deduct quarters and subsistence charges.....	1,082	997	997
Total obligations.....	59,941	65,592	71,521

Personnel Summary

Total number of permanent positions.....	6,440	6,660	6,828
Full-time equivalent of other positions.....	275	225	225
Average number of all employees.....	6,178	6,458	6,626
Number of employees at end of year.....	6,009	6,550	6,718
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726
Average salary of ungraded positions.....	\$4,511	\$4,684	\$4,735

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; \$23,084,000, and in addition, \$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. \$28,091,000. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Forest and range lands.....	3,028	3,246	3,470
2. Fire suppression.....	440	140	140
3. Agricultural and industrial assistance.....	1,869	2,074	2,926
4. Soil and moisture conservation.....	4,993	5,136	5,266
5. Maintenance of roads.....	3,384	2,839	2,874
6. Development of Indian arts and crafts.....	112	127	127
7. Management of Indian trust property.....	3,502	4,582	4,727
8. Repair and maintenance of buildings and utilities.....	4,900	4,932	7,738
9. Operation, repair, and maintenance of Indian irrigation systems.....	791	849	957
Total program costs.....	23,019	23,925	28,225
10. Unfunded adjustment to total program costs: Property or services transferred in (-) without charge, net.....	-1,297	-135	-134
Total program costs, funded.....	21,722	23,790	28,091

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
11. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	491		
Total obligations.....	22,213	23,790	28,091
Financing:			
Unobligated balance lapsing.....	299		
New obligational authority.....	22,512	23,790	28,091
New obligational authority:			
Appropriation.....	22,512	23,084	28,091
Proposed supplemental due to pay increases.....		706	

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.

	1960 actual	1961 estimate	1962 estimate
Timber cut:			
Million board-feet.....	575	590	634
Dollar value (in thousands).....	11,874	12,172	13,079
Number of cattle units grazed.....	835,000	835,000	835,000

2. *Fire suppression.*—Funds under this item provide for the payment of the cost of suppression and prevention of fires on or threatening Indian reservations. Approximately 60 million acres require protection. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

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, administration of the Revolving fund for loans heretofore financed from that fund, 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.

5. *Maintenance of roads.*—The Bureau of Indian Affairs road system which requires maintenance includes 16,229 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.

8. *Repair and maintenance of buildings and utilities.*—Federal buildings and their related utility and communication systems are maintained.

	1960 actual	1961 estimate	1962 estimate
Square foot buildings maintained (in thousands).....	21,550	23,485	24,300
Average amount available per square foot for maintaining buildings.....	\$0.112	\$0.109	\$0.203

BUREAU OF INDIAN AFFAIRS—Continued

Object Classification (in thousands of dollars)—Continued

Current authorizations—Continued

RESOURCES MANAGEMENT—Continued

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 79% of the cost is financed from collections from water users, leaving 21% 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 adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order: Stores (goods unconsumed by projects).....	17	18	18	18
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	1,310	1,648	1,648	1,648
Advances (payments for goods and services on order not yet received).....	7	12	12	12
Work in process (goods and services to be costed to activities when completed).....	2			
Total selected resources at end of year.....	1,336	1,678	1,678	1,678
Selected resources at start of year (—).....		—1,336	—1,678	—1,678
Adjustment of selected resources reported at start of year.....		149		
Obligations incurred for costs of other years, net.....		491		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	12,395	14,015	14,867
Positions other than permanent.....	980	900	1,011
Other personnel compensation.....	241	201	185
Total personnel compensation.....	13,616	15,116	16,063
12 Personnel benefits.....	884	1,148	1,211
21 Travel and transportation of persons.....	708	738	809
22 Transportation of things.....	227	249	279
23 Rent, communications, and utilities.....	797	825	883

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Buildings and utilities.....	82,164	28,631	16,045	15,938	15,861	5,689	5,689	15,861	
2. Irrigation systems.....	167,679	106,081	3,956	4,206	3,700	875	875	3,700	48,861
3. Land acquisition.....	133	54	1	73		5	5		
Total program costs.....	249,976	134,766	20,002	20,217	19,561	6,569	6,569	19,561	48,861
4. Unfunded adjustment to total program costs: Property or services transferred in (—) without charge, net.....			—12						
Total program costs, funded.....			19,990	20,217	19,561				
5. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....			—615						
Total obligations.....			19,375	20,217	19,561				
Financing:									
Unobligated balance brought forward.....			—9,752	—3,952					
Unobligated balance carried forward.....			3,952						
New obligational authority (appropriation).....			13,575	16,265	19,561				

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	24	24	27
25 Other services.....	1,730	1,675	2,871
Services of other agencies.....	213	224	349
26 Supplies and materials.....	2,778	2,739	4,439
31 Equipment.....	784	600	659
32 Lands and structures.....	115	118	118
41 Grants, subsidies, and contributions.....	636	652	706
42 Insurance claims and indemnities.....	8	3	3
Subtotal.....	22,520	24,111	28,417
Deduct quarters and subsistence charges.....	307	321	326
Total obligations.....	22,213	23,790	28,091

Personnel Summary

Total number of permanent positions.....	2,498	2,562	2,681
Full-time equivalent of other positions.....	210	194	217
Average number of all employees.....	2,511	2,581	2,720
Number of employees at end of year.....	2,954	3,200	3,339
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726
Average salary of ungraded positions.....	\$4,511	\$4,684	\$4,735

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; **[\$14,215,000]** \$19,561,000, to remain available until expended: *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.

For an additional amount for "Construction", \$2,050,000, to remain available until expended, of which \$250,000 shall be available for payment to the Parshall, North Dakota Special School District Numbered 3 for the construction of school facilities which shall be available to Indian children. (25 U.S.C. 13, 381b, 386, 465, 631-640; Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

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 alterations and rehabilitation of existing buildings and utilities; preparation of plans and engineering supervision and surveys. The 1962 program will include new construction of 15 school projects, 1 utility system, and rehabilitation of 9 school projects and 4 utility systems and rehabilitation of the U.S.M.S. *North Star*.

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. No program is planned for 1962.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	9	9	9	9
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	7,042	6,548	6,548	6,548
Advances (payments for goods and services on order not yet received).....	96	8	8	8
Work in process.....	37	4	4	4
Total selected resources at end of year.....	7,184	6,569	6,569	6,569
Selected resources at start of year (—).....		—7,184	—6,569	—6,569

Costs financed from obligations of other years, net (—)..... —615

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF INDIAN AFFAIRS			
11 Personnel compensation:			
Permanent positions.....	2,354	2,741	2,741
Positions other than permanent.....	948	1,016	1,016
Other personnel compensation.....	170	116	108
Total personnel compensation.....	3,472	3,873	3,865
12 Personnel benefits.....	176	196	196
21 Travel and transportation of persons.....	298	313	313
22 Transportation of things.....	366	340	340
23 Rent, communications, and utilities.....	80	78	78
24 Printing and reproduction.....	44	39	39
25 Other services.....	1,517	950	900
Services of other agencies.....	71	90	90
26 Supplies and materials.....	1,448	1,441	1,440
31 Equipment.....	1,025	992	900
32 Lands and structures.....	10,272	11,230	11,386
41 Grants, subsidies, and contributions.....		350	
Subtotal.....	18,769	19,892	19,547

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
BUREAU OF INDIAN AFFAIRS—Con.			
Deduct quarters and subsistence charges.....	15	15	15
Total, Bureau of Indian Affairs.....	18,754	19,877	19,532
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	30	22	
Other personnel compensation.....	1		
Total personnel compensation.....	31	22	
12 Personnel benefits.....	2	2	
25 Other services.....	45	44	29
32 Lands and structures.....	543	272	
Total, allocation accounts.....	621	340	29
Total obligations.....	19,375	20,217	19,561
Obligations are distributed as follows:			
Bureau of Indian Affairs.....	18,754	19,877	19,532
Corps of Engineers—Civil.....	580	299	
Bureau of Reclamation.....	41	30	29
Geological Survey.....		11	

Personnel Summary

BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions.....	456	467	467
Full-time equivalent of other positions.....	185	197	197
Average number of all employees.....	587	641	641
Number of employees at end of year.....	443	600	600
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726
Average salary of ungraded positions.....	\$4,511	\$4,684	\$4,735
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	5	3	
Average number of all employees.....	5	3	
Number of employees at end of year.....	6	0	
Average GS grade.....	7.6	7.6	
Average GS salary.....	\$6,326	\$6,824	

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred pursuant to authority contained in [section 106 of the Federal-Aid Highway Act of 1956 (70 Stat. 376), section 6 of the Federal-Aid Highway Act of 1958 (72 Stat. 93)] title 23, United States Code, section 203, and the Act of August 23, 1958 (72 Stat. 834), [\$14,500,000] \$17,000,000, to remain available until expended. (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

ROAD CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)—Continued

Program and Financing (in thousands of dollars)

	Costs			Analysis of 1962 financing		
	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Contract authorization available for 1962
Program by activities:						
1. Federal-aid highway roads.....	12,998	12,463	12,000	20,259	20,259	12,000
2. Navajo-Hopi roads, routes 1 and 3.....	4,249	4,206	5,000	10,950	5,950	-----
Total program costs.....	17,247	16,669	17,000	31,209	26,209	12,000
3. Property and services transferred out, net.....	13	-----	-----	-----	-----	-----
Total program costs, funded.....	17,260	16,669	17,000	-----	-----	-----
4. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	-2,686	-----	-----	-----	-----	-----
Total obligations.....	14,574	16,669	17,000	-----	-----	-----
Financing:						
Unobligated balance brought forward (contract authorization).....	-30,643	-28,070	-23,400	-----	-----	-----
Unobligated balance carried forward (contract authorization).....	28,070	23,400	18,400	-----	-----	-----
New obligational authority (contract authorization).....	12,000	12,000	12,000	-----	-----	-----

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	34,685	32,085	29,585
Contract authorization (new).....	12,000	12,000	12,000
Unfunded balance carried forward.....	-32,085	-29,585	-24,585
Appropriation to liquidate contract authorization.....	14,600	14,500	17,000

1. *Federal-aid highway roads.*—The road construction program proposed for 1962 places emphasis on the most critical road and bridge improvement needs on the 17,000-mile system. The improved roads will be turned over to local governments willing to assume future maintenance responsibilities.

	1960 actual	1961 program	1962 estimate
Grading and draining (miles).....	48	64	37
Surface (miles).....	91	181	179
Grade, drain, and surface (miles).....	284	369	338
Bridge construction (feet).....	4,263	2,774	2,950
Surveys and plans (miles).....	538	554	469

2. *Navajo-Hopi roads, Routes 1 and 3.*—The 1962 program continues operations for the improvement of 368 miles of Navajo-Hopi Routes 1 and 3 to State highway secondary standards. Completed sections of these roads will be turned over to the State for maintenance as State highways.

	1960 actual	1961 program	1962 estimate
Grade, drain, and surface (miles).....	68	73	103
Bridge construction (feet).....	1,188	550	204
Surveys and plans (miles).....	121	55	47

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	10	1	1	1
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	5,763	7,808	7,808	7,808
Advances (payments for goods and services on order not yet received).....	75	-----	-----	-----
Work in process (goods and services to be costed to activities when completed).....	10	-----	-----	-----
Equipment (acquisition value of facilities used on projects less depreciation charged to project costs).....	4,638	-----	-----	-----
Total selected resources at end of year.....	10,496	7,809	7,809	7,809
Selected resources at start of year (—).....	-----	-10,496	-7,809	-7,809
Costs financed from obligations of other years, net (—).....	-----	-2,686	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF INDIAN AFFAIRS			
11 Personnel compensation:			
Permanent positions.....	1,995	2,342	2,342
Positions other than permanent.....	452	460	460
Other personnel compensation.....	104	44	36
Total personnel compensation.....	2,551	2,846	2,838
12 Personnel benefits.....	123	152	150
21 Travel and transportation of persons.....	133	141	140
22 Transportation of things.....	14	29	30
23 Rent, communications, and utilities.....	40	88	100
24 Printing and reproduction.....	16	15	15
25 Other services.....	654	630	617
26 Supplies and materials.....	457	682	680
31 Equipment.....	94	134	140

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
BUREAU OF INDIAN AFFAIRS—Con.			
32 Lands and structures.....	10,449	11,693	12,300
42 Insurance claims and indemnities.....	5	43	25
Subtotal.....	14,536	16,453	17,035
Deduct quarters and subsistence charges.....	39	35	35
Total, Bureau of Indian Affairs.....	14,497	16,418	17,000
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....	26	29	
Positions other than permanent.....	19	19	
Total personnel compensation.....	45	48	
12 Personnel benefits.....	3	3	
21 Travel and transportation of persons.....	17	17	
23 Rent, communications, and utilities.....	3	3	
25 Other services.....	1	1	
Services of other agencies.....	10	10	
32 Lands and structures.....		169	
Subtotal.....	79	251	
Deduct quarters and subsistence charges.....	2		
Total, Bureau of Public Roads.....	77	251	
Total obligations.....	14,574	16,669	17,000

Personnel Summary

BUREAU OF INDIAN AFFAIRS			
Total number of permanent positions.....	472	490	490
Full-time equivalent of other positions.....	97	100	100
Average number of all employees.....	497	529	529
Number of employees at end of year.....	479	630	630
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726
Average salary of ungraded positions.....	\$4,511	\$4,684	\$4,735
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....	8	8	
Full-time equivalent of other positions.....	5	5	
Average number of all employees.....	11	11	
Number of employees at end of year.....	6	6	
Average GS grade.....	8.3	8.3	
Average GS salary.....	\$6,724	\$7,305	

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, **[\$3,739,000] \$3,972,000.** (25 U.S.C. 13; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental offices.....	1,221	1,082	1,083
2. Field offices.....	2,644	2,885	2,889
Total program costs.....	3,865	3,967	3,972
3. Unfunded adjustment to total program costs: Property or services transferred in (-) without charge, net.....	-220		
Total program costs, funded.....	3,645	3,967	3,972

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Relation of cost to obligations: Obligations incurred for costs of other years, net.....	18		
Total obligations.....	3,663	3,967	3,972
Financing:			
Unobligated balance lapsing.....	52		
New obligational authority.....	3,715	3,967	3,972
New obligational authority:			
Appropriation.....	3,715	3,739	3,972
Proposed supplemental due to pay increases.....		228	

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	1	3	3	3
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	103	94	94	94
Advances (payments for goods and services on order not yet received).....	3	3	3	3
Work in process (goods and services to be costed to activities when completed).....	1			
Total selected resources at end of year.....	107	100	100	100
Selected resources at start of year (-).....		-107	-100	-100
Adjustment of selected resources reported at start of year.....		25		
Obligations incurred for costs of other years, net.....		18		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,779	3,019	3,024
Positions other than permanent.....	14	5	5
Other personnel compensation.....	39	32	20
Total personnel compensation.....	2,832	3,056	3,049
12 Personnel benefits.....	193	233	233
21 Travel and transportation of persons.....	222	252	252
22 Transportation of things.....	16	16	16
23 Rent, communications, and utilities.....	127	155	159
24 Printing and reproduction.....	32	34	34
25 Other services.....	67	95	95
Services of other agencies.....	32	33	33
26 Supplies and materials.....	104	120	128
31 Equipment.....	96	32	32
Subtotal.....	3,721	4,026	4,031
Deduct quarters and subsistence charges.....	58	59	59
Total obligations.....	3,663	3,967	3,972

BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

GENERAL ADMINISTRATIVE EXPENSES—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	461	462	462
Full-time equivalent of other positions.....	3	1	1
Average number of all employees.....	438	442	442
Number of employees at end of year.....	434	445	445
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726

LIQUIDATION OF KLAMATH AND MEMONIEE 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, **[\$150,000]** \$31,000. (Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Liquidation of Klamath and Menominee agencies (total program costs).....	201	192	35
2. Unfunded adjustment to total program costs: Property or services transferred in (-) without charge, net.....	-1		
Total program costs, funded.....	200	192	35
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-39	-4
Obligations incurred for costs of other years, net.....	43		
Total obligations.....	244	152	31
Financing:			
Unobligated balance lapsing.....	6		
New obligational authority.....	250	152	31
New obligational authority:			
Appropriation.....	250	150	31
Proposed supplemental due to pay increases.....		2	

During the period of liquidating the Klamath and Menominee Indian Agencies appropriated funds will be used for expenses instead of tribal funds.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$43 thousand; 1961, \$4 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	108	47	4
Positions other than permanent.....	34	2	
Other personnel compensation.....	2		
Total personnel compensation.....	144	49	4
12 Personnel benefits.....	9	3	1
21 Travel and transportation of persons.....	7	3	1
22 Transportation of things.....	1		

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	9	4	
25 Other services.....	59	80	23
Services of other agencies.....	1		
26 Supplies and materials.....	14	13	2
31 Equipment.....	3		
41 Grants, subsidies, and contributions.....		1	
Subtotal.....	247	153	31
Deduct quarters and subsistence charges.....	3	1	
Total obligations.....	244	152	31

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	27	18	5
Full-time equivalent of other positions.....	9		
Average number of all employees.....	29	8	1
Number of employees at end of year.....	21	5	
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726

COLORADO RIVER INDIAN RESERVATION BENEFITS, SOUTHERN AND NORTHERN RESERVES

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Colorado River Indian Reservation benefits (total costs—obligations) (object class 41).....	178	180	180
Financing:			
New obligational authority.....	178	180	180
New obligational authority:			
Appropriation:			
Current indefinite.....	178	180	
Permanent indefinite.....			180

All receipts from leasing of unassigned lands, Colorado River Indian Reservation, Ariz., southern and northern reserves, may be expended for the benefit of the Colorado River tribes and their members (69 Stat. 723).

BUREAU OF INDIAN AFFAIRS MISCELLANEOUS ACCOUNTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Distribution of funds to the Creek Indians.....	53	57	
2. Payment to Pine Ridge Sioux Tribe of Indians.....		45	
3. Payment to Klamath Tribe of Indians.....	29	72	
4. Payment to Menominee Tribe of Indians.....	168	107	
5. Payment to Loyal Creeks and Freedmen.....	79	171	
Total program costs.....	329	452	
6. Relation of costs to obligations: Costs financed from obligations of other years (unpaid grants and refunds), net (-).....	-79	-171	
Total obligations.....	250	281	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-556	-507	-225
Unobligated balance carried forward.....	507	225	225
New obligational authority (appropriation)	200		

6. *Relation of costs to obligations.*—The year-end balances of unpaid grants and refunds are as follows: 1959, \$250 thousand; 1960, \$171 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	47	46	
Positions other than permanent.....	2		
Total personnel compensation.....	49	46	
12 Personnel benefits.....	3	3	
21 Travel and transportation of persons.....		2	
22 Transportation of things.....		1	
23 Rent, communications, and utilities.....		1	
25 Other services.....	198	181	
26 Supplies and materials.....		1	
31 Equipment.....		1	
41 Grants, subsidies, and contributions.....		45	
Total obligations.....	250	281	

Personnel Summary

	1960 actual	1961 estimate
Total number of permanent positions.....	14	9
Average number of all employees.....	10	9
Number of employees at end of year.....	12	9
Average GS grade.....	6.5	6.5
Average GS salary.....	\$5,290	\$5,712

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 and [ninety] thirty passenger motor vehicles (including twenty-five for police-type use which may exceed by \$300 each 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.

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 of Indian health facilities," Public Health Services.
 "Construction and rehabilitation," Bureau of Reclamation.
 "Mutual security—economic," funds appropriated to the President.

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, except as provided for by the Act of July 24, 1956 (70 Stat. 627).

For an additional amount for "Tribal funds", \$500,000, to be derived from the funds to the credit of the Indians of California now on deposit in the Treasury (which funds are also known as the California Indians judgment fund), for payment of expenses, other than attorneys' fees, hereafter incurred by attorneys in prosecuting claims in Dockets Numbered 31 and 37, before the Indian Claims Commission, on behalf of the Indians of California (as defined in and enrolled under the Act of May 18, 1928, 45 Stat. 602, as amended), under contracts approved by the Secretary of the Interior: *Provided*, That expenditures from this fund shall be made only upon proper vouchers approved by the Secretary of the Interior: *Provided further*, That if the judgment recovered under Dockets Numbered 31 and 37 is distributed on any basis other than the roll prepared pursuant to the Act of May 18, 1928, as amended, the California Indians judgment fund shall first be reimbursed by the amount of the expenditures under this provision. (25 U.S.C. 123; Department of the Interior and Related Agencies Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
1. Education and welfare services.....	115	134	130
2. Resources management.....	628	674	690
3. Construction and land acquisition.....	256	587	342
4. General tribal affairs.....	754	1,605	1,838
Subtotal (limitation).....	1,753	3,000	3,000
5. Payments to Indian tribes.....	27,568	46,674	36,944
6. Miscellaneous tribal activities.....	34,951	107,089	24,681
7. Advances to Indian tribes (indefinite authorization).....	9,958	4,589	2,192
Total direct costs.....	74,230	161,352	66,817
Reimbursable costs:			
8. Revolving tribal credit funds.....	185	15	15
Total program costs.....	74,415	161,367	66,832
9. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-156		
Total obligations.....	74,259	161,367	66,832
Financing:			
Unobligated balance brought forward:			
Cash:			
Appropriated.....	174,075	171,156	166,015
Unappropriated.....	2,541	3,749	
U.S. securities (par).....	100	100	100

BUREAU OF INDIAN AFFAIRS—Continued

Current authorizations—Continued

TRIBAL FUNDS—Continued

(Trust fund)—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Receipts:			
Various tribal funds.....	72,183	152,282	83,952
Licenses under Federal Power Act from Indian Reservations.....	180	180	180
Receipts from non-Federal sources (25 U.S.C. 470).....	185	15	15
Unobligated balance carried forward:			
Cash:			
Appropriated.....	-171,156	-166,015	-183,330
Unappropriated.....	-3,749		
U.S. securities (par).....	-100	-100	-100
Total financing.....	74,259	161,367	66,832

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.

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

	1959 actual	1960 actual	1961 estimate	1962 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).....	349	194	194	194
Advances (payments for goods and services on order not yet received).....	1	-----	-----	-----
Total selected resources at end of year.....	350	194	194	194
Selected resources at start of year (—).....	-----	-350	-194	-194
Costs financed from obligations of other years, net (—).....	-----	-156	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct obligations:			
11 Personnel compensation:			
Permanent positions.....	1,145	1,204	1,038
Positions other than permanent.....	1,416	1,263	297
Other personnel compensation.....	24	16	14
Total personnel compensation.....	2,585	2,483	1,349
12 Personnel benefits.....	78	93	79
21 Travel and transportation of persons.....	28	24	24
22 Transportation of things.....	17	12	10
23 Rent, communications, and utilities.....	147	56	52
24 Printing and reproduction.....	2	2	2
25 Other services.....	1,024	694	559
26 Supplies and materials.....	476	342	156
31 Equipment.....	67	46	39
32 Lands and structures.....	246	554	341
41 Grants, subsidies, and contributions.....	69,430	157,070	64,228
Subtotal.....	74,100	161,376	66,839

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct obligations—Continued			
Deduct charges for quarters and subsistence.....	26	24	22
Total direct obligations.....	74,074	161,352	66,817
Reimbursable obligations:			
33 Investments and loans.....	185	15	15
Total obligations.....	74,259	161,367	66,832

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	282	257	210
Full-time equivalent of other positions.....	377	336	79
Average number of all employees.....	607	568	278
Number of employees at end of year.....	277	260	240
Average GS grade.....	5.6	5.6	5.7
Average GS salary.....	\$4,905	\$5,238	\$5,392
Average salary of ungraded positions.....	\$4,705	\$4,707	\$4,541

Permanent authorizations:

CLAIMS AND TREATY OBLIGATIONS

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. "Fulfilling treaties with Senecas of New York".....	6	6	6
2. "Fulfilling treaties with Six Nations of New York".....	4	5	5
3. "Fulfilling treaties with Pawnees of Oklahoma".....	30	30	30
4. "Payment to Indians of Sioux Reservation".....	126	100	100
Total program (costs—obligations) (object class 41).....	166	141	141
Financing:			
New obligational authority (appropriation).....	166	141	141

Payments are made under treaties with certain Indian tribes and for the benefit of Sioux Indians as authorized by law.

OTHER BUREAU OF INDIAN AFFAIRS PERMANENT APPROPRIATIONS

(Indefinite special funds)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition of lands and loans to Indians in Oklahoma, act of June 26, 1936.....		83	10
3. Operation and maintenance, Indian irrigation systems.....	2,719	2,800	2,800
4. Power systems, Indian irrigation projects.....	1,680	1,600	1,600
5. Purchase of land, Rocky Boy's Reservation, Mont.....		2	-----
Total program costs.....	4,399	4,485	4,410
6. Unfunded adjustment to total program costs: Property or services transferred in (—) without charge, net.....	-286	-----	-----
Total program costs, funded.....	4,113	4,485	4,410

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	5		
Total obligations.....	4,118	4,485	4,410
Financing:			
Unobligated balance brought forward.....	-2,807	-2,862	-2,788
Unobligated balance carried forward.....	2,862	2,788	2,667
New obligational authority.....	4,174	4,410	4,289
New obligational authority:			
"Acquisition of lands and loans to Indians in Oklahoma, act June 26, 1936".....	4	10	10
"Operation and maintenance, Indian irrigation systems".....	2,581	2,800	2,679
"Power systems, Indian irrigation projects".....	1,589	1,600	1,600
Appropriation.....	4,174	4,410	4,289

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 is used for the acquisition of lands and for loans to individual Indians, associations, or corporate groups of Indians residing in Oklahoma (25 U.S.C. 507).

2. *Indian arts and crafts fund.*—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. 305 a, c).

3. *Operation and maintenance, Indian irrigation systems.*—Revenue derived from charges for operation and maintenance of Indian irrigation projects is used to defray in part the cost of operating and maintaining these projects (60 Stat. 895).

4. *Power systems, Indian irrigation projects.*—Revenue collected from the sale of electric power by the Colorado River, Flathead, and San Carlos power systems is used to operate and maintain these systems (60 Stat. 895; 65 Stat. 254).

6. *Property or services transferred in without charge, net.*—Represents acquisition of surplus equipment without cost to these accounts pursuant to the provisions of the act of June 30, 1949 (63 Stat. 377), as amended.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	261	278	278	278
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	133	138	138	138
Work in process (goods and services to be costed to activities when completed).....	16			
Total selected resources at end of year.....	411	416	416	416
Selected resources at start of year (—).....	-411	-416	-416	-416
Obligations incurred for costs of other years, net.....		5		

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,130	2,232	2,208
Positions other than permanent.....	144	143	141
Other personnel compensation.....	55	49	47
Total personnel compensation.....	2,329	2,424	2,396
12 Personnel benefits.....	144	158	158
21 Travel and transportation of persons.....	13	12	13
22 Transportation of things.....	44	37	38
23 Rent, communications, and utilities.....	429	470	480
25 Other services.....	531	544	585
Services of other agencies.....	16	17	18
26 Supplies and materials.....	542	653	630
31 Equipment.....	71	90	87
32 Lands and structures.....	1	84	9
41 Grants, subsidies, and contributions.....	20	20	20
43 Interest and dividends.....	2	1	1
Subtotal.....	4,142	4,510	4,435
Deduct quarters and subsistence charges.....	24	25	25
Total obligations.....	4,118	4,485	4,410

Personnel Summary

Total number of permanent positions.....	530	541	536
Full-time equivalent of other positions.....	32	31	31
Average number of all employees.....	476	481	472
Number of employees at end of year.....	610	609	600
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726
Average salary of ungraded positions.....	\$4,511	\$4,684	\$4,735

Public enterprise funds:

REVOLVING FUND FOR LOANS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
Loan program:			
Administrative expenses.....	580	797	
Provision for losses on loans.....	156	100	100
Total operating costs.....	736	897	100
Unfunded adjustment to total operating costs: Provision for losses on loans included above (—).....	-156	-100	-100
Total operating costs, funded.....	580	797	
Capital outlay: Acquisition of loans.....	3,146	4,000	2,091
Total program costs—obligations.....	3,726	4,797	2,091
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans.....	2,085	350	1,340
Interest on loans.....	258	300	400
Cattle settlements.....	27	20	15
Recovery of prior year obligations.....	500		
Total amounts becoming available.....	2,870	670	1,755
Unobligated balance brought forward.....	5,319	4,463	336
Total amounts available.....	8,189	5,133	2,091
Unobligated balance carried forward.....	-4,463	-336	
Financing applied to program.....	3,726	4,797	2,091

BUREAU OF INDIAN AFFAIRS—Continued**Public enterprise funds—Continued****REVOLVING FUND FOR LOANS—Continued**

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, 1960, 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 is a result of expenses exceeding revenues and includes net writeoffs of loans receivable amounting to \$188 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans.....	3,146	4,000	2,091
Expense.....	580	797	-----
Total gross expenditures.....	3,726	4,797	2,091
Receipts from operations (funds provided):			
Loan program:			
Loans repaid.....	2,085	350	1,340
Revenue.....	258	300	400
Cattle settlements.....	27	20	15
Decrease in selected working capital.....	500	-----	-----
Total receipts from operations.....	2,870	670	1,755
Budget expenditures.....	856	4,127	336

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Loan program:			
Revenue.....	258	300	400
Expense.....	736	897	100
Net gain or loss (—) for the year.....	—478	—597	300
Deficit (—), beginning of year.....	—2,636	—3,113	—3,710
Prior year adjustment of refunds.....	1	-----	-----
Deficit (—), end of year.....	—3,113	—3,710	—3,410

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	4,463	336	-----
Loans outstanding, net.....	8,983	12,533	13,184
Total assets.....	13,446	12,869	13,184
Government investment:			
Non-interest-bearing capital:			
Start of year.....	16,533	16,559	16,579
Prior year adjustment of refunds.....	—1	-----	-----
Cattle settlements.....	27	20	15
End of year.....	16,559	16,579	16,594
Deficit (—).....	—3,113	—3,710	—3,410
Total Government investment.....	13,446	12,869	13,184

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	5,319	4,463	336	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	417	523	-----
Positions other than permanent.....	2	3	-----
Other personnel compensation.....	24	35	-----
Total personnel compensation.....	443	561	-----
12 Personnel benefits.....	29	45	-----
21 Travel and transportation of persons.....	27	50	-----
22 Transportation of things.....	6	15	-----
23 Rent, communications, and utilities.....	21	35	-----
24 Printing and reproduction.....	1	1	-----
25 Other services.....	14	36	-----
26 Supplies and materials.....	30	39	-----
31 Equipment.....	15	20	-----
33 Investments and loans.....	3,145	4,000	2,091
Subtotal.....	3,731	4,802	2,091
Deduct quarters and subsistence charges.....	5	5	-----
Total obligations.....	3,726	4,797	2,091

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	83	82	-----
Full-time equivalent of other positions.....	1	1	-----
Average number of all employees.....	70	80	-----
Number of employees at end of year.....	61	70	-----
Average GS grade.....	6.5	6.5	-----
Average GS salary.....	\$5,290	\$5,712	-----

LIQUIDATION OF HOONAH HOUSING PROJECT REVOLVING FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operations: Expenses of liquidation (total obligations).....	10	105	10
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection of loans.....	1	1	1
Interest on loans.....	2	3	3
Total amount becoming available.....	3	4	4
Unobligated balance brought forward.....	115	108	7
Total amount available.....	118	112	11
Unobligated balance carried forward.....	—108	—7	—1
Financing applied to program.....	10	105	10

This fund was transferred from the Housing and Home Finance Agency to the Secretary of the Interior under the provisions of 72 Stat. 974. The Secretary will use the \$111 thousand, transferred from the Housing and Home Finance Agency, along with any other revenues that may be received from the Hoonah housing project for the pur-

pose of liquidating said project in accordance with the provisions of law.

Budget program.—As of June 30, 1960, the principal of the fund amounted to \$277 thousand, consisting of \$108 thousand in cash and mortgage notes in the net amount of \$169 thousand.

Operating results.—The retained earnings are expected to be exhausted by the end of 1961 as funds are used for the liquidation of the project.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Liquidation program: Expenses of liquidation.....	10	105	10
Receipts from operations (funds provided):			
Loans repaid.....	1	1	1
Revenue.....	2	3	3
Total receipts from operations.....	3	4	4
Budget expenditures.....	7	101	6

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Liquidation program:			
Revenue.....	2	3	3
Expense.....	10	105	10
Net income or loss (—) for the year.....	—8	—102	—7
Retained earnings or deficit (—), beginning of year.....	45	37	—65
Retained earnings or deficit (—), end of year.....	37	—65	—72

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	108	7	1
Mortgage notes, net.....	169	168	167
Total assets.....	277	175	168
Government investment:			
Non-interest-bearing capital (start and end of year).....	240	240	240
Retained earnings or deficit (—).....	37	—65	—72
Total Government investment.....	277	175	168

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	115	108	7	1

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		1	1
25 Other services.....	10	8	4
26 Supplies and materials.....		1	1
32 Lands and structures.....		95	4
Total obligations.....	10	105	10

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Facilitating common services (Department of Health, Education, and Welfare).....	570	599	599
2. Road relocation (Corps of Engineers—Civil).....	775	534	—
3. Miscellaneous other accounts.....	302	255	255
4. Replacement of personal property sold.....	89	100	100
5. Veterans tuition.....	7	10	10
6. Surplus milk products.....	377	450	500
7. Refund of overtime.....	6	—	—
Total obligations.....	2,126	1,948	1,464
Financing:			
Unobligated balance brought forward.....	679	554	—
Advances and reimbursements from—			
Other accounts.....	1,897	1,284	1,354
Non-Federal sources:			
Replacement of personal property sold (40 U.S.C. 481(c)).....	91	100	100
Veterans tuition (25 U.S.C. 288-289).....	7	10	10
Refund of overtime, timber sales (25 U.S.C. 407(d)).....	6	—	—
Unobligated balance carried forward.....	—554	—	—
Total financing.....	2,126	1,948	1,464

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	192	205	205
Positions other than permanent.....	12	4	4
Other personnel compensation.....	9	11	11
Total personnel compensation.....	213	220	220
12 Personnel benefits.....	16	17	17
21 Travel and transportation of persons.....	32	30	30
22 Transportation of things.....	4	5	5
23 Rent, communications, and utilities.....	307	310	340
24 Printing and reproduction.....	1	2	2
25 Other services.....	202	150	150
26 Supplies and materials.....	522	610	650
31 Equipment.....	85	50	50
32 Lands and structures.....	744	554	—
Total obligations.....	2,126	1,948	1,464

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	40	43	43
Average number of all employees.....	40	43	43
Number of employees at end of year.....	40	43	43
Average GS grade.....	6.5	6.5	6.5
Average GS salary.....	\$5,290	\$5,712	\$5,726

Proposed for later transmission:

EDUCATION AND WELFARE SERVICES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Welfare and guidance services (total costs—obligations).....		1,000	—
Financing:			
New obligational authority (proposed supplemental appropriation).....		1,000	—

BUREAU OF INDIAN AFFAIRS—Continued

Proposed for later transmission—Continued

EDUCATION AND WELFARE SERVICES—Continued

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$1 million is anticipated for an increased welfare caseload.

RESOURCES MANAGEMENT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Fire suppression (total costs—obligations).....		940	
Financing:			
New obligational authority (proposed supplemental appropriation).....		940	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$940 thousand is anticipated for fighting fires.

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.

The enactment of legislation to establish a revolving fund for the financing of the reclamation program is recommended in the Budget Message.

Appropriations to the Bureau are made from the general fund and special funds. The special funds are (a) the Reclamation fund, largely derived from certain irrigation and power revenue; receipts from the sale, lease, and rental of public lands; and certain oil and mineral revenue; (b) the Colorado River Dam fund, derived from the revenue 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 (in thousands of dollars):

Appropriation title	Estimate of appropriation	General fund	Reclamation fund	Colorado River Dam fund	Colorado River development fund	Other
General investigations.....	5,850	550	4,800		500	--
General investigations (special foreign currency program).....	4,500	4,500				--
Construction and rehabilitation.....	158,250	88,250	70,000			--
Operation and maintenance.....	34,400	4,822	28,087	1,491		--
General administrative expenses.....	9,430		9,430			--
Loan program.....	12,212	12,212				--
Upper Colorado River Basin fund.....	60,700	60,700				--
Emergency fund.....	1,000		1,000			--
Permanent authorizations.....	3,975		75	3,871		29
Total.....	290,317	171,034	113,392	5,362	500	29

The total appropriation request of \$290.3 million represents an increase of \$4.7 million compared with the estimated current year appropriations and an increase of \$30.1 million 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 and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, including not to exceed \$300,000 for investigations of projects in Alaska, to remain available until expended, [\$4,893,000] \$5,850,000, of which [\$3,943,000] \$4,800,000 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: *Provided further*, That [\$200,000] \$250,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation. (43 U.S.C. 391; 43 U.S.C. 485; 16 U.S.C. 661; Public Works Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$244 thousand for activities transferred in the estimates to "General administrative expenses." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Engineering and economic investigations:			
(a) Reconnaissance.....	263	600	742
(b) Basin surveys.....	414	326	499
(c) Project investigations.....	3,241	3,719	3,593
(d) General engineering and research:			
(1) Planning studies.....	91	102	119
(2) Engineering methods and material research.....		297	390
2. Investigations of existing projects.....	30	70	136
3. Alaskan investigations.....	235	273	300
4. Fish and wildlife studies.....	166	238	250
5. Adjustment in cost: Prior year balance of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices.....	-26	128	
Total program costs.....	4,414	5,753	6,029
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-128	-60	-2
Total obligations.....	4,286	5,693	6,027
Financing:			
Comparative transfers to other accounts.....	353	265	
Unobligated balance brought forward.....	-380	-516	-12
Advanced from reclamation trust funds.....	-102	-306	-165
Recovery of prior year obligations.....	-4		
Unobligated balance carried forward.....	516	12	
New obligational authority.....	4,669	5,148	5,850
New obligational authority:			
Reclamation fund, special fund.....	3,743	3,943	4,800
Colorado River development fund.....	500	500	500
General fund.....	426	450	550
Appropriation.....	4,669	4,893	5,850
Proposed supplemental due to pay increases.....		255	

Surveys and investigations are made to determine the feasibility of potential reclamation projects and the need for rehabilitation of existing Federal reclamation projects. Total investigations scheduled, excluding those investigations involving only stream gaging or studies by the Fish and Wildlife Service, are as follows:

Status	1960 actual	1961 estimate	1962 estimate
Prior year studies continuing.....	69	54	51
Prior year studies completed.....	17	31	23
Initiated or resumed and completed during the year.....	1	3	5
Initiated or resumed but not completed.....	16	20	14

1. *Engineering and economic investigations.*—These are made to plan the development of river basins and to determine the feasibility of potential projects prior to authorization. Also financed from this appropriation are studies to improve planning procedures, engineering methods, and means of reservoir evaporation control.

2. *Investigations of existing projects.*—These are made to determine the need and to plan for rehabilitation, financial adjustments, or water conservation on existing Federal reclamation projects.

3. *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).

4. *Fish and wildlife studies.*—These funds are transferred to the Fish and Wildlife Service for studies of the fish and wildlife aspects of reclamation projects under construction or in the planning stage, exclusive of the Missouri River Basin.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	65	30	28	26
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	83	98	26	17
Equipment and service facilities (acquisition value of facilities used on investigation activities, less depreciation charged to investigation costs).....	394	281	295	304
Total selected resources at end of year.....	541	409	349	347
Selected resources at start of year (—).....		—541	—409	—349
Adjustment due to recovery of prior year obligations.....		4		
Costs financed from obligations of other years, net (—).....		—128	—60	—2

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF RECLAMATION			
11 Personnel compensation:			
Permanent positions.....	3,191	3,909	4,364
Positions other than permanent.....	108	106	87
Other personnel compensation.....	80	65	53
Total personnel compensation.....	3,379	4,080	4,504
12 Personnel benefits.....	208	302	339
21 Travel and transportation of persons.....	195	248	261
22 Transportation of things.....	16	29	30
23 Rent, communications, and utilities.....	43	54	47
24 Printing and reproduction.....	47	56	63
25 Other services.....	97	251	120
Services of other agencies.....	38	245	234
26 Supplies and materials.....	93	145	132
31 Equipment.....	15	54	56
42 Insurance claims and indemnities.....	1	1	1
44 Refunds.....		1	1
Subtotal.....	4,132	5,466	5,788
Deduct quarters and subsistence charges.....	12	11	11
Total, Bureau of Reclamation.....	4,120	5,455	5,777

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
11 Personnel compensation:			
Permanent positions.....	94	150	168
Positions other than permanent.....		4	3
Other personnel compensation.....	1	1	
Total personnel compensation.....	95	155	171
12 Personnel benefits.....	6	10	11
21 Travel and transportation of persons.....	5	20	19
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	3	3	4
25 Other services.....	41	41	37
26 Supplies and materials.....	2	6	6
31 Equipment.....	1	2	1
32 Lands and structures.....	12		
Total, Bureau of Sport Fisheries and Wildlife.....	166	238	250
Total obligations.....	4,286	5,693	6,027

Personnel Summary

BUREAU OF RECLAMATION			
Total number of permanent positions.....	582	672	676
Full-time equivalent of other positions.....	21	17	13
Average number of all employees.....	507	556	613
Number of employees at end of year.....	593	617	649
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788
ALLOCATION TO BUREAU OF SPORT FISHERIES AND WILDLIFE			
Total number of permanent positions.....	10	23	27
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	10	24	27
Number of employees at end of year.....	9	23	26
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

GENERAL INVESTIGATIONS (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, to remain available until expended, \$4,500,000, which shall be available to purchase only those currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Foreign engineering research (total program costs).....			1,000
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			3,500
Total obligations.....			4,500
Financing:			
New obligational authority (appropriation).....			4,500

A total amount of \$4,500 thousand is requested for research and related scientific activities under the foreign currency program. Of this amount it is estimated that

BUREAU OF RECLAMATION—Continued**Current authorizations—Continued***GENERAL INVESTIGATIONS (SPECIAL FOREIGN CURRENCY PROGRAM)—Continued*

\$1 million will be expended in 1962. The general fields in which studies will be conducted include fundamental properties of cement and concrete; hydraulics; soil mechanics; evaporation reduction; rock properties; soil stabilization and drainage; and weed control. This research will complement the regular research work carried on in the domestic laboratories of the Bureau of Reclamation and other Government agencies.

In addition to travel and administrative costs to be funded with foreign currencies, it is estimated that \$100 thousand will be provided from other Bureau appropriations for these purposes, of which \$50 thousand will be expended in 1962.

2. *Relation of costs to obligations.*—Year-end balance of unpaid undelivered orders in 1962 is \$3,500 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....			84
25 Other services.....			4,386
26 Supplies and materials.....			30
Total obligations.....			4,500

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, **[\$166,444,880]** \$158,250,000, of which **[\$90,000,000]** \$70,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer: *Provided further*, That not to exceed \$25,000 shall be available toward investigation and the emergency rehabilitation of the Dalton Gardens, Avondale, and Hayden Lake Unit, Rathdrum Prairie Irrigation Projects, Idaho, to be repaid in full under conditions satisfactory to the Secretary of the Interior.

For an additional amount for advance planning activities on the Canadian River project, Texas, \$300,000: *Provided*, That the limitation under this head in the Interior Department Appropriation Act, 1955, on the amount available toward the emergency rehabilitation of the Crescent Lake Dam project, Oregon, is increased from \$297,000 to \$305,000. (43 U.S.C. 391, 485, 504; Public Works Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$2,805 thousand for activities transferred in the estimates to "General administrative expenses." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Advance planning.....	123	829	380
2. Gila project, Arizona.....	3,231	3,733	1,460
3. Colorado River front work and levee system, Arizona-California.....	184	1,169	1,390
4. Central Valley project, California.....	42,629	50,032	55,338
5. Collbran project, Colorado.....	4,339	5,163	534

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
6. Avondale, Dalton Gardens and Hayden Lake pipe rehabilitation, Idaho.....		25	
7. Palisades project, Burns Creek Dam and powerplant, Idaho.....			487
8. Wichita project, Cheney division, Kansas.....			1,200
9. Washoe project, Nevada-California.....	756	2,647	968
10. McMillan Delta project, New Mexico.....	72	228	
11. Middle Rio Grande project, New Mexico.....	1,749	1,790	1,825
12. Norman project, Oklahoma.....			900
13. Washita Basin project, Oklahoma.....	8,432	6,938	1,800
14. Rogue River Basin project, Talent division, Oregon.....	2,955	2,557	789
15. The Dalles project, western division, Oregon.....			350
16. Vale project, Bully Creek extension, Oregon.....			690
17. Klamath project, Oregon-California.....	478	928	1,034
18. Canadian River project, Texas.....			1,450
19. Lower Rio Grande rehabilitation project, LaFeria division, Texas.....		500	1,200
20. Lower Rio Grande rehabilitation project, Mercedes division, Texas.....	1,240	2,176	2,291
21. San Angelo project, Texas.....	3,930	11,020	8,034
22. Provo River project, Utah.....	179	1,304	827
23. Weber Basin project, Utah.....	5,007	6,030	8,615
24. Chief Joseph Dam project, Greater Wenatchee division, Washington.....	205	1,740	2,367
25. Columbia Basin project, Washington.....	7,208	4,316	4,340
26. Drainage and minor construction program.....	10,292	8,203	2,262
27. Rehabilitation and betterment of existing projects.....	3,209	3,840	4,039
28. Missouri River Basin:			
(a) Ainsworth unit, Nebraska.....	104	1,660	3,559
(b) Almena unit, Kansas.....		770	3,305
(c) Cedar Bluff unit, Kansas.....	169	1,299	1,493
(d) East Bench unit, Montana.....	318	3,442	5,920
(e) Farwell unit, Nebraska.....	2,486	7,723	5,955
(f) Frenchman-Cambridge division, Nebraska.....	3,329	5,339	3,158
(g) Transmission division (including Fort Peck project).....	15,482	23,217	20,124
(h) Yellowtail unit, Montana-Wyoming.....	15	2,430	10,840
(i) Drainage and minor construction program.....	9,472	3,829	1,350
(j) Investigations.....	608	882	760
(k) Advance planning.....	1,007	1,466	1,710
Subtotal, Missouri River Basin, Bureau of Reclamation.....	32,990	52,057	58,174
(l) Other Department of the Interior agencies.....	2,593	2,872	3,000
Total, Missouri River Basin.....	35,583	54,929	61,174
29. Prior year balances of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices.....	250	1,329	
30. Undistributed reduction based on anticipated delays.....			-7,000
Total obligations.....	132,051	171,426	158,744
Financing:			
Comparative transfers to other accounts.....	2,477	2,785	
Unobligated balance brought forward.....	-9,793	-8,043	-577
Recovery of prior year obligations.....	-312		
Unobligated balance carried forward.....	8,043	577	83
New obligational authority.....	132,466	166,745	158,250
New obligational authority:			
Reclamation fund, special fund.....	95,000	90,000	70,000
General fund.....	37,466	76,745	88,250
Appropriation.....	132,466	166,745	158,250

The program consists of advance planning, design, and 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 are included under that project.

Work will be continued in 1962 on 27 projects and 19 units and divisions of the Missouri River Basin project started in prior years and construction will be initiated on 5 new projects with estimated costs totaling \$141 million. Three of the five new projects are designed primarily to

provide municipal and industrial water; two will furnish supplemental water for lands now inadequately supplied and also serve some new acreage. Six projects and 2 units of the Missouri River Basin project will be completed in 1962. The program also includes rehabilitation and betterment work on 12 projects. During the year facilities for 91,500 acres of irrigated land and 108,500 kilowatts of new power generating capacity will be completed.

The following workload table summarizes the program goals and accomplishments.

PROGRAM WORKLOAD SUMMARY

[Dollars in millions—acres and kilowatts in thousands]

	Estimated total project cost	Estimated transfers to/from (-) other projects or funds, net	Total estimate of costs to this appropriation	Program accomplished through 1961			1962 program goals		
				Power (kilowatts installed capacity)	Irrigation		Power (kilowatts installed capacity)	Irrigation	
					New acres ¹	Supplemental acres ²		New acres ¹	Supplemental acres ²
Completed, June 30, 1960 (77 projects and 5 Missouri River Basin units).....	\$740.8	-----	\$740.8	705.8	2,264.1	2,748.9	-----	-----	-----
Completed, 1961 (11 projects and 2 Missouri River Basin units).....	189.2	-\$1.0	188.2	164.0	20.3	75.9	-----	-----	-----
Inactive, 1962 (1 project and 3 Missouri River Basin units).....	45.6	-----	45.6	1.5	52.5	57.4	-----	-----	-----
Authorization pending (1 project).....	45.4	-0.2	45.2	-----	-----	-----	-----	-----	-----
Under construction, 1962:									
Continuing:									
Central Valley.....	1,105.2	4.2	1,109.4	629.5	34.9	818.8	-----	6.7	-----
Columbia Basin.....	960.5	-35.7	924.8	1,974.0	440.3	-----	-----	10.4	-----
Missouri River Basin:									
Ainsworth.....	26.1	-0.7	25.4	-----	-----	-----	-----	-----	-----
Almena.....	15.4	-0.3	15.1	-----	-----	-----	-----	-----	-----
East Bench.....	21.7	-0.5	21.2	-----	-----	-----	-----	-----	-----
Farwell.....	32.4	-----	32.4	-----	-----	-----	-----	-----	-----
Frenchman-Cambridge Division.....	77.8	-0.6	77.2	-----	43.0	9.6	-----	7.1	-----
Transmission Division.....	330.2	-3.9	326.3	-----	-----	-----	-----	-----	-----
Yellowtail.....	109.3	-1.8	107.5	-----	-----	-----	-----	-----	-----
Weber Basin.....	97.5	-1.7	95.8	5.7	4.6	5.6	-----	6.6	3.6
San Angelo.....	29.0	-0.2	28.8	-----	-----	-----	-----	-----	-----
Other (10 projects and 1 Missouri River Basin unit).....	264.2	-2.3	261.9	16.0	329.0	23.8	-----	28.4	-----
Drainage and minor construction (13 projects and 11 Missouri River Basin units).....	552.9	-11.2	541.7	381.6	1,108.3	-----	-----	12.4	10.9
Total continuing (27 projects and 19 Missouri River Basin units).....	3,622.2	-54.7	3,567.5	3,006.8	1,960.1	857.8	-----	71.6	14.5
Completed:									
Boulder Canyon.....	174.4	-7.7	166.7	1,249.8	-----	-----	95.0	-----	-----
Collbran.....	16.0	-0.3	15.7	-----	1.9	15.3	13.5	.6	4.5
Middle Rio Grande.....	35.8	-2.1	31.7	-----	121.4	-----	-----	.3	-----
Missouri River Basin:									
Glendo.....	43.8	-----	43.8	72.0	-----	37.6	-----	-----	-----
Owl Creek.....	6.0	-0.6	5.4	-----	-----	13.1	-----	-----	-----
Provo River.....	36.4	-0.4	36.0	4.9	-----	46.6	-----	-----	-----
Rio Grande, Elephant Butte power.....	16.7	-0.8	15.9	24.3	-----	-----	-----	-----	-----
Solano.....	38.9	-0.6	38.3	-----	71.9	24.2	-----	-----	-----
Total completed (6 projects and 2 Missouri River Basin units).....	366.0	-12.5	353.5	1,351.0	195.2	136.8	108.5	0.9	4.5
New project starts:									
Canadian River.....	96.1	-0.8	95.3	-----	-----	-----	-----	-----	-----
Norman.....	19.0	-0.2	18.8	-----	-----	-----	-----	-----	-----
The Dalles, western division.....	5.9	-0.2	5.7	-----	-----	-----	-----	-----	-----
Vale, Bully Creek.....	3.3	-0.2	3.1	-----	-----	-----	-----	-----	-----
Wichita, Cheney division.....	18.3	-0.1	18.2	-----	-----	-----	-----	-----	-----
Total new project starts (5 projects).....	142.6	-1.5	141.1	-----	-----	-----	-----	-----	-----
Total construction (38 projects and 21 Missouri River Basin units).....	4,130.8	-68.7	4,062.1	4,357.8	2,155.3	994.6	108.5	72.5	19.0
Rehabilitation and betterment (work on 12 projects).....	42.0	-0.3	41.7	-----	-----	-----	-----	-----	-----
Grand total, Construction and rehabilitation.....	5,193.8	-70.2	5,123.6	5,229.1	4,492.2	3,876.8	108.5	72.5	19.0

¹ Lands to receive a new full supply of irrigation water.² Additional water supply for irrigated lands now inadequately supplied.

BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

CONSTRUCTION AND REHABILITATION—Continued

Project costs to this appropriation are presented in the following table:

PROGRAM BY ACTIVITIES

[In thousands of dollars]

	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	Appropriation required to complete
1. Advance planning.....	3,813	2,476	123	829	380			380	5
2. Gila project, Arizona.....	74,586	53,942	2,873	3,811	1,697	347	110	1,460	12,153
3. Colorado River front work and levee system, Arizona-California.....	12,600	6,133	238	1,169	1,390			1,390	3,670
4. Central Valley project, California.....	1,109,424	549,020	45,663	54,354	56,419	752	-329	55,338	404,297
5. Collbran project, Colorado.....	15,685	4,302	4,056	6,580	747	213		534	
6. Avondale, Dalton Gardens and Hayden Lake pipe rehabilitation, Idaho.....	1,225			25					1,200
7. Palisades project, Burns Creek Dam and powerplant, Idaho.....	45,154				387	487	100		44,667
8. Wichita project, Cheney division, Kansas.....	18,198				1,145		55	1,200	16,998
9. Washoe project, Nevada-California.....	50,547	387	472	2,908	981	94	81	968	45,718
10. McMillan Delta project, New Mexico.....	1,173	62	72	228					811
11. Middle Rio Grande project, New Mexico.....	31,729	25,849	1,877	2,171	1,832	7		1,825	
12. Norman project, Oklahoma.....	18,797				872		28	900	17,897
13. Washita Basin project, Oklahoma.....	37,467	10,892	7,829	8,388	1,906	132	26	1,800	8,426
14. Rogue River Basin project, Talent division, Oregon.....	23,492	16,083	3,554	3,011	811	-27	-49	789	82
15. The Dalles project, western division, Oregon.....	5,680				340		10	350	5,330
16. Vale project, Bully Creek extension, Oregon.....	3,089				679		11	690	2,399
17. Klamath project, Oregon-California.....	19,522	15,088	346	1,088	1,034	28	28	1,034	1,938
18. Canadian River project, Texas.....	95,330				1,450			1,450	93,880
19. Lower Rio Grande rehabilitation project, La Feria division, Texas.....	5,738			490	1,193	10	17	1,200	4,038
20. Lower Rio Grande rehabilitation project, Mercedes division, Texas.....	10,760	191	826	2,327	2,784	517	24	2,291	4,608
21. San Angelo project, Texas.....	28,816	350	2,103	12,538	8,279	330	85	8,034	5,461
22. Provo River project, Utah.....	35,997	33,674	168	1,316	839	12		827	
23. Weber Basin project, Utah.....	95,780	35,932	5,402	8,143	8,636	196	175	8,615	37,492
24. Chief Joseph Dam project, Greater Wenatchee division, Washington.....	7,801		187	1,400	2,700	358	25	2,367	3,489
25. Columbia Basin project, Washington.....	924,790	535,063	6,701	6,368	4,570	1,828	1,598	4,340	370,490
26. Drainage and minor construction program.....	912,377	871,725	9,676	10,981	2,585	547	217	2,255	17,193
27. Rehabilitation and betterment of existing projects.....	46,606	20,507	3,108	4,307	4,048	183	174	4,039	14,462
28. Missouri River Basin:									
(a) Ainsworth unit, Nebraska.....	25,435	377	203	1,639	3,528	127	158	3,559	19,530
(b) Almena unit, Kansas.....	15,121			770	3,305			3,305	11,046
(c) Cedar Bluff unit, Kansas.....	18,301	13,870	170	1,299	1,493	1	1	1,493	1,468
(d) East Bench unit, Montana.....	21,200		220	3,353	5,928	187	179	5,920	11,520
(e) Farwell unit, Nebraska.....	30,783	528	1,869	7,885	6,342	530	143	5,955	14,016
(f) Frenchman-Cambridge division, Nebraska.....	77,160	60,295	3,011	5,966	3,158	545	545	3,158	4,185
(g) Transmission division (including Fort Peck project).....	326,294	127,514	14,759	25,705	21,369	1,582	337	20,124	136,610
(h) Yellowtail unit, Montana-Wyoming.....	107,491	2,886	39	1,681	10,075	790	1,555	10,840	91,255
(i) Drainage and minor construction program.....	341,612	253,887	11,231	6,777	1,365	54	39	1,350	68,313
(j) Investigations.....	55,825	43,722	605	890	761	62	61	760	10,786
(k) Advance planning.....	23,114	12,799	1,191	1,478	1,712	87	85	1,710	5,849
Subtotal, Missouri River Basin, Bureau of Reclamation.....	1,043,336	515,878	33,298	57,443	59,036	3,965	3,103	58,174	374,578
(l) Other Department of the Interior agencies.....	58,508	50,043	2,531	2,934	3,000			3,000	
Total, Missouri River Basin.....	1,101,844	565,921	35,829	60,377	62,036	3,965	3,103	61,174	374,578
29. Adjustment in cost—prior year balance of advances to chief engineer, Denver, Colo., and centralized project activities in the regional offices.....			54	1,525					-1,579
30. Undistributed reduction in program costs reflected in undelivered orders.....				-10,000		10,000	10,000		
31. Undistributed reduction based on anticipated delays.....					-7,000			-7,000	7,000
Total program costs.....	4,738,020	2,747,597	131,157	184,334	162,740	19,979	15,489	158,250	1,496,703
32. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....				-12,908	-3,996				
Obligations incurred for costs of other years, net.....			894						
Total obligations.....			132,051	171,426	158,744				

† Represents total cost to June 30, 1962.

32. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	1,081	741	602	589
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	20,803	26,168	13,531	10,000
Service facilities (acquisition value of facilities less depreciation charged to project cost).....	9,419	5,029	4,857	4,380
Deferred charges (investigations of abandoned or unprogramed works, operation and maintenance during construction, and investments).....	424	372	412	437
Total selected resources at end of year.....	31,728	32,310	19,402	15,406
Selected resources at start of year (—).....	—31,728	—32,310	—19,402	—
Adjustment due to recovery of prior year obligations.....	312	—	—	—
Costs financed from obligations of other years, net (—).....	—	—	—12,908	—3,996
Obligations incurred for costs of other years, net.....	—	894	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF RECLAMATION			
11 Personnel compensation:			
Permanent positions.....	20,798	23,416	22,656
Positions other than permanent.....	345	285	272
Other personnel compensation.....	769	774	552
Total personnel compensation.....	21,913	24,475	23,480
12 Personnel benefits.....	1,468	2,003	1,944
21 Travel and transportation of persons.....	944	1,042	1,039
22 Transportation of things.....	314	344	313
23 Rent, communications, and utilities.....	489	549	512
24 Printing and reproduction.....	158	208	170
25 Other services.....	1,548	5,090	7,485
Services of other agencies.....	333	312	329
26 Supplies and materials.....	1,554	2,208	2,245
31 Equipment.....	1,345	1,515	1,320
32 Lands and structures.....	98,988	130,651	116,322
33 Investments and loans.....	95	78	74
41 Grants, subsidies, and contributions.....	14	13	10
42 Insurance claims and indemnities.....	157	40	20
44 Refunds.....	16	12	12
Subtotal.....	129,355	168,540	155,275
Deduct quarters and subsistence charges.....	180	174	195
Total, Bureau of Reclamation.....	129,155	168,366	155,080
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	606	703	793
Positions other than permanent.....	38	40	43
Other personnel compensation.....	8	6	3
Total personnel compensation.....	652	749	839
12 Personnel benefits.....	42	53	58
21 Travel and transportation of persons.....	76	86	88
22 Transportation of things.....	6	4	5
23 Rent, communications, and utilities.....	9	13	10
24 Printing and reproduction.....	7	11	11
25 Other services.....	1,786	1,958	2,040
Services of "Revolving fund, Corps of Engineers—Civil".....	—	3	16
26 Supplies and materials.....	21	36	44
31 Equipment.....	4	5	6
32 Lands and structures.....	293	142	547
Total allocation accounts.....	2,896	3,060	3,664
Total obligations.....	132,051	171,426	158,744

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Bureau of Reclamation.....	129,155	168,366	155,080
Bureau of Sport Fisheries and Wildlife.....	225	260	280
Geological Survey.....	1,639	1,798	1,880
Bureau of Indian Affairs.....	173	193	196
Bureau of Land Management.....	201	228	250
Bureau of Mines.....	122	133	140
National Park Service.....	233	260	254
Corps of Engineers—Civil.....	303	188	664

Personnel Summary

BUREAU OF RECLAMATION			
Total number of permanent positions.....	4,071	4,141	3,948
Full-time equivalent of other positions.....	81	74	66
Average number of all employees.....	3,419	3,660	3,570
Number of employees at end of year.....	3,591	3,707	3,684
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	120	121	137
Full-time equivalent of other positions.....	6	6	7
Average number of all employees.....	105	109	125
Number of employees at end of year.....	111	115	131
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	\$6,059	\$6,562	\$6,594
Average salary of ungraded positions.....	\$5,194	\$5,317	\$5,342

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, **[\$31,443,000]** \$34,400,000, of which **[\$26,496,000]** \$28,087,000 shall be derived from the reclamation fund and **[\$1,335,000]** \$1,491,000 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.

For an additional amount for "Operation and maintenance", \$2,200,000, to be derived by transfer from the appropriation for "Upper Colorado River Basin Fund", fiscal year 1961. (43 U.S.C. 391; 43 U.S.C. 485; *Public Works Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

Note.—Estimate for 1962 excludes \$959 thousand for activities transferred in the estimates to "General administrative expenses." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Eklutna project, Alaska.....	278	303	293
2. Yuma area projects, Arizona-California.....	534	663	643
3. Colorado River front work and levee system, Arizona-California-Nevada.....	1,631	1,443	2,384
4. Parker-Davis project, Arizona-California-Nevada.....	2,498	2,727	2,806
5. Boulder Canyon project, Arizona-Nevada.....	1,291	1,386	1,491
6. Boulder City, Nevada.....	766	—	—
7. Cachuma project, California.....	78	82	112
8. Central Valley project, California.....	6,637	7,201	7,526
9. Kings River project, California.....	3	8	22
10. Solano project, California.....	54	62	67
11. Collbran project, Colorado.....	—	—	61
12. Colorado-Big Thompson project, Colorado.....	804	939	914

BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

OPERATION AND MAINTENANCE—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
13. San Luis Valley project, Colorado.....	7	8	8
14. Boise project, Idaho-Oregon.....	421	438	375
15. Minidoka area projects, Idaho-Wyoming.....	1,475	1,927	1,823
16. Hungry Horse project, Montana.....	502	662	596
17. Milk River project, Montana.....	255	61	38
18. North Platte project, Nebraska-Wyoming.....	196	254	246
19. Carlsbad project, New Mexico.....	12	16	14
20. Middle Rio Grande project, New Mexico.....	1,220	1,326	1,337
21. Rio Grande project, New Mexico-Texas.....	1,423	1,519	1,512
22. W. C. Austin project, Oklahoma.....	9	12	10
23. Crooked River project, Oregon.....			20
24. Rogue River Basin project, Talent division, Oregon.....		44	58
25. Klamath project, Oregon-California.....	102	129	129
26. Falcon project, Texas.....	5	5	10
27. Provo River project, Utah.....	19	24	24
28. Columbia Basin project, Washington.....	4,770	6,795	6,834
29. Yakima project, Washington.....	658	639	309
30. Kendrick project, Wyoming.....	251	336	338
31. Riverton project, Wyoming.....	109	122	123
32. Shoshone project, Wyoming.....	152	132	132
33. Missouri River Basin.....	4,880	6,850	6,222
34. Negotiation and administration of water-marketing contracts.....			30
35. Soil and Moisture conservation operations.....	807	1,062	1,145
36. Halogeton (poisonous weed) control.....	62	78	71
37. Projects financed entirely with funds advanced.....	114	134	148
Total program costs.....	32,023	37,387	37,871
38. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—959	—511	
Obligations incurred for costs of other years, net.....			45
Total obligations.....	31,064	36,876	37,916
Financing:			
Comparative transfers to other accounts.....	895	960	
Non-Federal funds advanced by water users (annual appropriation acts):			
Unobligated balance brought forward.....	—1,332	—1,411	—936
New advances.....	—3,641	—3,170	—3,345
Unobligated balance carried forward.....	1,411	936	765
Unobligated balance lapsing.....	742		
New obligational authority.....	29,138	34,191	34,400
New obligational authority:			
Reclamation fund, special fund.....	23,807	26,496	28,087
Colorado River Dam fund, Boulder Canyon project.....	2,030	1,335	1,491
General fund.....	3,300	3,612	4,822
Transferred from "Upper Colorado River Basin fund" (74 Stat. 821).....		2,200	
Appropriation (adjusted).....	29,138	33,643	34,400
Proposed supplemental due to pay increases.....		548	

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 1962 a total of 44 projects and 23 Missouri River Basin units and divisions will be operated and maintained for irrigation, power, municipal and industrial

water supplies. Of these, 21 projects and 5 Missouri River Basin units have power facilities. Energy sales from power operations are as follows:

Fiscal year:	Kilowatt-hours of energy (millions)	Gross energy sales (thou- sands)
1960 (actual).....	26,841	\$68,754
1961 (estimate).....	31,473	75,721
1962 (estimate).....	32,231	78,974

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 in the reclamation fund, the Colorado River Dam fund, and the general fund.

The programs for 6 power projects include \$3,769 thousand in 1962 for the purchase of power and wheeling. The establishment in 1961 of a net billing procedure for certain of these power transactions between the Federal Government and non-Federal utilities precludes the need for an additional \$2,523 thousand for this purpose in 1962.

Provision is also made for flood control operations on certain projects, soil and moisture conservation operations, and halogeton control on public lands under jurisdiction of the Bureau.

38. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	3,867	3,667	3,214	3,271
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	1,555	700	625	613
Total selected resources at end of year.....	5,423	4,367	3,839	3,884
Selected resources at start of year (—).....		—5,423	—4,367	—3,839
Adjustment of selected resources reported at start of year.....		96	17	
Costs financed from obligations of other years, net (—).....		—959	—511	
Obligations incurred for costs of other years, net.....				45

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	19,329	20,540	21,561
Positions other than permanent.....	264	283	265
Other personnel compensation.....	722	688	649
Total personnel compensation.....	20,315	21,511	22,475
12 Personnel benefits.....	1,312	1,618	1,714
21 Travel and transportation of persons.....	430	512	514
22 Transportation of things.....	97	164	142
23 Rent, communications, and utilities.....	680	715	727
24 Printing and reproduction.....	34	42	37
25 Other services.....	3,405	4,368	3,732
Services of other agencies.....	292	572	421
26 Supplies and materials.....	3,084	3,947	4,304
31 Equipment.....	511	926	1,026
32 Lands and structures.....	1,248	2,853	3,190
41 Grants, subsidies, and contributions.....	1	2	2
42 Insurance claims and indemnities.....	17	13	1
43 Interest and dividends.....		1	1
44 Refunds.....	1	1	1
Subtotal.....	31,427	37,245	38,287
Deduct quarters and subsistence charges.....	363	369	371
Total obligations.....	31,064	36,876	37,916

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3,721	3,702	3,702
Full-time equivalent of other positions.....	70	73	74
Average number of all employees.....	3,488	3,450	3,588
Number of employees at end of year.....	3,601	3,498	3,685
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

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, **[\$4,290,000]** \$9,430,000, 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, 1961.*)

Note.—Estimate for 1962 includes \$4,728 thousand for activities previously carried under "General investigations," "Construction and rehabilitation," "Operation and maintenance," "Continuing fund for emergency expenses, Fort Peck project, Montana," and "Upper Colorado River Basin fund." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers or deductions for obligations shown in other accounts.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental and Denver offices.....	3,981	4,401	4,531
2. Regional offices.....	4,650	4,901	4,899
Total program costs.....	8,631	9,302	9,430
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	33		
Total obligations.....	8,665	9,302	9,430
Financing:			
Comparative transfers from (—) other accounts.....	—3,725	—4,010	
Deduct obligations shown in other accounts.....	—675	—720	
Unobligated balance lapsing.....	25		
New obligational authority.....	4,290	4,572	9,430
New obligational authority:			
Appropriation.....	4,290	4,290	9,430
Proposed supplemental due to pay increases.....		282	

This appropriation finances the general administrative and technical direction of the Reclamation program as performed by the departmental, Denver, and seven regional offices. In prior years part of these costs were charged to project accounts. Commencing in 1962, charges to project accounts will be made by Denver and regional offices only for services directly performed for individual projects. Costs for general administrative activities financed in 1960 and 1961 from other Reclamation appropriations are shown in this account for comparative purposes.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$48 thousand; 1959 (adjusted), \$33 thousand; 1960, \$66 thousand; 1961, \$66 thousand; 1962, \$66 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,903	7,461	7,590
Positions other than permanent.....	15	19	23
Other personnel compensation.....	39	27	40
Total personnel compensation.....	6,957	7,507	7,653
12 Personnel benefits.....	471	537	571
21 Travel and transportation of persons.....	315	348	515
22 Transportation of things.....	16	22	31
23 Rent, communications, and utilities.....	92	74	134
24 Printing and reproduction.....	45	43	75
25 Other services.....	608	645	179
Services of other agencies.....	37	39	59
26 Supplies and materials.....	70	56	119
31 Equipment.....	54	31	94
Total obligations.....	8,665	9,302	9,430

Personnel Summary

Total number of permanent positions.....	959	969	988
Full-time equivalent of other positions.....	3	3	4
Average number of all employees.....	943	959	935
Number of employees at end of year.....	956	963	948
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

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, **[\$11,642,825]** \$12,212,000, to remain available until expended: *Provided*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197). (*Public Works Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Distribution systems.....	3,968	8,940	5,684
2. Small projects:			
Loans.....	4,852	15,811	17,156
Grants.....		130	
3. Administration.....	79	168	143
Total program costs.....	8,899	25,049	22,983
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—13,636	—9,625
Obligations incurred for costs of other years, net.....	7,164		
Total obligations.....	16,063	11,413	13,358
Financing:			
Unobligated balance brought forward.....	—5,541	—917	—1,146
Recovery of prior year obligations.....	—210		
Unobligated balance carried forward.....	917	1,146	
New obligational authority (appropriation).....	11,228	11,643	12,212

BUREAU OF RECLAMATION—Continued**Current authorizations—Continued****LOAN PROGRAM—Continued**

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. Work will be completed on three projects during 1962.

2. *Small projects.*—Loans and grants of not more than \$5 million are made to non-Federal agencies for construction of small projects. Work will start on one new project in 1962 and will continue on 11 projects of which 5 will be completed.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$18,663 thousand; 1959 (adjusted), \$18,452 thousand; 1960, \$25,616 thousand; 1961, \$11,980 thousand; 1962, \$2,355 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	84	148	136
Positions other than permanent.....	7	10	10
Other personnel compensation.....	1	1	-----
Total personnel compensation.....	92	159	146
12 Personnel benefits.....	6	12	11
21 Travel and transportation of persons.....	7	12	11
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	1	2	1
25 Other services.....	165	113	102
Services of other agencies.....	-----	3	3
26 Supplies and materials.....	1	2	1
31 Equipment.....	-----	1	1
33 Investments and loans.....	15,790	11,108	13,081
Total obligations.....	16,063	11,413	13,358

Personnel Summary

Total number of permanent positions.....	16	22	20
Average number of all employees.....	12	19	17
Number of employees at end of year.....	8	20	18
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

BOULDER CITY MUNICIPAL FUND

(Special fund)

【Not to exceed \$150,000 of the Boulder City municipal fund shall be available without fiscal year limitation for initial construction, improvements, and additions to certain utility systems for that part of Boulder City known as Lakeview Addition, as authorized by section 6(b)(2) of the Act of September 2, 1958 (72 Stat. 1731).】
(Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Expenses of disposal.....	114	69	44
2. Construction and improvement of utility systems.....	-----	150	-----
Total program costs—obligations.....	114	219	44
Financing:			
Unobligated balance brought forward.....	-24	-80	-19
Return of loan to "Colorado River Dam fund, Boulder Canyon project".....	100	-----	-----
Unobligated balance carried forward.....	80	19	1
New obligational authority.....	270	158	26
New obligational authority:			
Appropriation:			
Current definite.....	-----	150	-----
Permanent indefinite.....	270	8	26
Appropriation.....	270	158	26

This fund is derived from the sale of Federal property in Boulder City, Nev., and is available for certain purposes in connection with the termination of the Federal interest in the community (72 Stat. 1726). The town was incorporated on October 28, 1959. Funds will be used in 1962 for the administration of mortgages retained by the U.S. Government, including the payment of certain trust items, such as county taxes, Federal Housing Administration insurance, and other incidental expenses (72 Stat. 1731).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	25	7	6
Positions other than permanent.....	31	1	-----
Total personnel compensation.....	56	8	6
12 Personnel benefits.....	3	1	-----
21 Travel and transportation of persons.....	2	1	-----
23 Rent, communications, and utilities.....	1	1	1
25 Other services.....	51	55	35
Services of other agencies.....	-----	2	1
26 Supplies and materials.....	1	1	1
41 Grants, subsidies, and contributions.....	-----	150	-----
Total obligations.....	114	219	44

Personnel Summary

Total number of permanent positions.....	3	1	1
Full-time equivalent of other positions.....	4	-----	-----
Average number of all employees.....	7	1	1
Number of employees at end of year.....	5	1	1
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

DISPOSAL OF COULEE DAM COMMUNITY

(Special fund)

【Not to exceed \$15,000 of the proceeds from the sale of Federal property in the Coulee Dam and Grand Coulee areas shall be available without fiscal year limitation for payment to the city of Coulee Dam in accordance with the provisions of sections 7(b) and 9(a) of the Act of August 30, 1957 (71 Stat. 530).】 (Public Works Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Expenses of disposal.....	27	16	7
2. Payment to city of Coulee Dam.....	21	15	
Total program costs—obligations.....	48	31	7
Financing:			
Unobligated balance brought forward.....	-7	-19	-19
Unobligated balance carried forward.....	19	19	12
New obligational authority.....	60	31	
New obligational authority:			
Appropriation:			
Current definite.....	21	15	
Permanent indefinite.....	39	16	
Appropriation.....	60	31	

This fund is derived from the sale of Federal property in or near the cities of Coulee Dam and Grand Coulee, Wash., and is available for certain purposes in connection with the disposal of the Federal interest in the communities and financial assistance to the city of Coulee Dam after incorporation. The city of Coulee Dam was incorporated Feb. 26, 1959. Funds will be used in 1962 for administration of sales contracts retained by the United States and for other incidental expenses (71 Stat. 530).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	17	10	4
12 Personnel benefits.....	2	1	
25 Other services.....	7	5	3
26 Supplies and materials.....	1		
41 Grants, subsidies, and contributions.....	21	15	
Total obligations.....	48	31	7

Personnel Summary

Full-time equivalent of other positions.....	3	1	
Average number of all employees.....	3	1	
Number of employees at end of year.....	0		
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

EMERGENCY FUND

For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), to remain available until expended for the purposes specified in said Act, 【\$500,000】 \$1,000,000, to be derived 【by transfer from the appropriation "Upper Colorado River Basin Fund", fiscal year 1961】 from the reclamation fund. (Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Central Valley project, California.....	496		
2. Parker-Davis project, Arizona-California.....	3		
3. Yakima project, Washington.....		16	
4. Missouri River basin: Transmission division.....	6		
5. Funds available for emergencies.....		484	1,000
Total program costs.....	505	500	1,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-4		
Total obligations.....	501	500	1,000
Financing:			
Unobligated balance brought forward.....	-501		
New obligational authority.....		500	1,000
New obligational authority:			
Reclamation fund, special fund.....			1,000
Transferred from "Upper Colorado River Basin fund," (74 Stat. 821).....		500	
Appropriation (adjusted).....		500	1,000

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.

6. Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	4		
25 Other services.....	496	16	
Funds available for emergencies.....		484	1,000
Total obligations.....	501	500	1,000

Personnel Summary

Total number of permanent positions.....	1		
Average number of all employees.....	1		
Number of employees at end of year.....	0		
Average salary of ungraded positions.....	\$5,500		

SPECIAL FUNDS

Sums herein referred to as being derived from the reclamation fund, the Colorado River Dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads "Operation and Maintenance" and "General Administrative Expenses" shall revert and be credited to the special fund from which derived. (Public Works Appropriation Act, 1961.)

BUREAU OF RECLAMATION—Continued

Current authorizations—Continued

ADMINISTRATIVE PROVISIONS

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed [ninety-eight] *seventy-four* passenger motor vehicles for replacement only; [purchase of one aircraft for replacement only;] payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461-467): *Provided*, That no part of any appropriation made herein shall be 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 this paragraph shall not apply to work performed under the Rehabilitation and Betterment Act of 1949 (63 Stat. 724).

[After August 31, 1960, the position of Commissioner of the Bureau of Reclamation shall have the same annual rate of compensation as that provided for positions listed in 5 U.S.C. 2205(b), so long as held by the present incumbent.] (*Public Works Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations, as follows:
 "Educational exchange trust funds," Department of State.
 "Construction," Bureau of Indian Affairs.
 "Construction, general," Corps of Engineers—Civil.

Permanent authorizations:

RECLAMATION FUND, SPECIAL FUND

(Indefinite special fund)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward.....	130,389	119,665	121,758
Receipts: Reclamation fund:			
Collections, Bureau of Reclamation.....	16,307	19,277	19,294
Collections, other agencies.....	50,098	53,651	60,653
Power revenue.....	49,038	53,994	56,755
Unobligated balance returned to unappropriated receipts.....	681		
Total available for appropriation.....	246,513	246,587	258,460
Deduct—			
Annual appropriations:			
"General investigations".....	3,743	3,943	4,800
"Construction and rehabilitation".....	95,000	90,000	70,000
"Operation and maintenance".....	23,807	26,496	28,087
"General administrative expenses".....	4,290	4,290	9,430
"Emergency fund".....			1,000
Permanent appropriations:			
"Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)".....	8	8	8
"Refunds and returns".....		92	67
Total appropriations.....	126,848	124,829	113,392
Unappropriated balance carried forward..	119,665	121,758	145,068

This fund is derived from repayments and other revenue 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward.....	82	43	113
Receipts.....	-39	70	70
Unappropriated balance carried forward..	43	113	183

Revenue from water rental, as well as other minor operations of the All-American Canal, is available for appropriation for payment of expense 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 area projects under the Operation and maintenance account.

COLORADO RIVER DAM FUND, BOULDER CANYON PROJECT

(Indefinite special fund)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward.....	2,024	1,954	2,019
Receipts.....	5,386	5,200	5,200
Return of loan from "Boulder City municipal fund".....	100		
Unobligated balance returned to unappropriated receipts.....	146		
Total available for appropriation.....	7,656	7,154	7,219
Deduct—			
Annual appropriation: "Operation and maintenance".....	2,030	1,335	1,491
Permanent appropriations:			
"Colorado River Dam fund, Boulder Canyon project," payments to States of Arizona and Nevada.....	600	600	600
"Colorado River Dam fund, Boulder Canyon project," payment of interest on advances from the Treasury.....	3,072	3,200	3,271
Unappropriated balance carried forward.....	1,954	2,019	1,857

Revenue from Boulder Canyon project operations is placed in this fund. The fund is available automatically for repayment of advances from the Treasury for construction or other purposes, for interest on the amounts advanced, and for annual payments of \$300 thousand each to Arizona and Nevada. It is also available for annual appropriation for payment of expense of operation and maintenance of the project (43 U.S.C. 617a).

COLORADO RIVER DEVELOPMENT FUND

(Indefinite special fund)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward.....	16	16	16
Receipts.....	500	500	500
Total available for appropriation.....	516	516	516
Deduct annual appropriation for "General investigations".....	500	500	500
Unappropriated balance carried forward.....	16	16	16

This fund is derived from revenue of the Boulder Canyon project, and is available for appropriation for General investigations (43 U.S.C. 618a).

OTHER BUREAU OF RECLAMATION PERMANENT APPROPRIATIONS
(Indefinite special funds unless otherwise indicated)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Colorado River Dam fund, Boulder Canyon project:			
(a) Payment of interest on advances from the Treasury.....	3,072	3,200	3,271
(b) Payments to States of Arizona and Nevada.....	600	600	600
2. Operation, maintenance, and replacement of project works, North Platte project.....		10	
3. Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming).....	8	8	8
4. Refunds and returns.....	65	124	67
Total program costs—obligations.....	3,745	3,942	3,946
Financing:			
Unobligated balance brought forward.....	-112	-51	-12
Unobligated balance carried forward.....	51	12	15
New obligational authority.....	3,684	3,903	3,949
New obligational authority:			
"Colorado River Dam fund, Boulder Canyon project":			
Payment of interest on advances from the Treasury.....	3,072	3,200	3,271
Payments to States of Arizona and Nevada (definite special fund).....	600	600	600
"Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder irrigation districts)".....	4	3	3
"Payments to Farmers' irrigation district (North Platte project, Nebraska-Wyoming)".....	8	8	8
"Refunds and returns" (indefinite general fund).....		92	67
Appropriation.....	3,684	3,903	3,949

1. *Colorado River Dam fund, Boulder Canyon project—*
(a) *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).

(b) *Payments to States of Arizona and Nevada.*—Annual payments of \$300 thousand each in lieu of taxes are made to Arizona and Nevada from operation of the Boulder Canyon project (43 U.S.C., ch. 12A).

2. *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).

3. *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).

4. *Refunds and returns.*—Overcollections are refunded and amounts of unapplied deposits are returned (64 Stat. 689).

BUREAU OF RECLAMATION—Continued**Permanent authorizations—Continued**OTHER BUREAU OF RECLAMATION PERMANENT
APPROPRIATIONS—Continued

(Indefinite special funds unless otherwise indicated)—Con.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	8	9	8
32 Lands and structures.....		9	
41 Grants, subsidies, and contributions.....	600	600	600
43 Interest and dividends.....	3,072	3,200	3,271
44 Refunds.....	65	124	67
Total obligations.....	3,745	3,942	3,946

Public enterprise funds:CONTINUING FUND FOR EMERGENCY EXPENSES, FORT PECK
PROJECT, MONTANA**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Operation and maintenance program:			
(a) Generation and transmission of power.....	759	821	849
(b) Administrative and general expense.....	107	130	125
(c) Interest on investment.....	233	230	227
(d) Other.....	127	130	72
Total operating costs.....	1,226	1,311	1,273
2. Unfunded adjustments to total operating costs:			
Replacement and depreciation included above (—).....	—117	—72	—72
Interest on investment included above (—).....	—233	—230	—227
Cost of purchase power and wheeling included above (—).....	—22		—62
Total operating costs, funded.....	854	1,009	912
Capital outlay:			
3. Construction work in progress.....	2,886	423	288
4. Unfunded adjustment to capital outlay: Property transferred in (—) without cost.....	—6		
Total capital outlay, funded.....	2,881	423	288
Total program costs, funded.....	3,735	1,432	1,200
5. Relation of costs to obligations:			
Costs financed by obligations of other years, net (—).....	—589	—125	
Obligations incurred for costs of other years, net.....			10
Total obligations¹.....	3,145	1,307	1,210
Financing:			
Amounts becoming available:			
Advanced from "Construction and rehabilitation".....	2,344	200	220
Sale of electric energy and other revenue.....	2,517	2,620	3,038
Total amounts becoming available.....	4,861	2,820	3,258
Unobligated balance brought forward.....	800	746	753
Total amounts available.....	5,661	3,566	4,011
Capital transfer (repayment of investment to Treasury) (—).....	—1,770	—1,506	—2,048
Unobligated balance carried forward.....	—746	—753	—753
Financing applied to program.....	3,145	1,307	1,210

¹ Includes \$25 thousand in 1960 and 1961 for general administrative activities transferred in the estimates in 1962 to "General administrative expenses."

This fund defrays expense of operating the power-generation and transmission facilities of the Fort Peck project, Corps of Engineers—Civil, and emergency expenses to insure continuous operation (16 U.S.C. 833).

Budget program.—Funded operating costs will be \$97 thousand less than the current year. The decrease in capital outlay in 1962 is due primarily to the completion of construction of the Fort Peck-Dawson County 230-kilovolt transmission line in 1961.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Supplies.....	127	78	88	98
Deferred charges.....	21	20	20	20
Unpaid undelivered orders.....	628	123		
Prepayments.....	47	13		
Total selected resources at end of year.....	822	233	108	118
Selected resources at start of year (—).....	—822	—233	—233	—108
Costs financed from obligations of other years, net (—).....	—589	—125		
Obligations incurred for costs of other years, net.....				10

Financing.—The operation of the Fort Peck project power and transmission facilities is financed by this fund and capital outlays for transmission facilities by advances from the appropriation Construction and rehabilitation. 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 \$1.8 million for 1962, an increase of \$0.5 million over the 1961 estimates. 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 that part of the Government investment allocated to power generation and transmission. Such payments totaled \$1.8 million in 1960 and are estimated at \$1.5 million in 1961 and \$2 million in 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Construction work in progress.....	2,881	423	288
Expense.....	854	1,009	912
Increase in selected working capital.....			10
Total gross expenditures.....	3,735	1,432	1,210
Receipts from operations (funds provided):			
Advanced from "Construction and rehabilitation".....	2,344	200	220
Revenue: Sale of electric energy and other revenue.....	2,517	2,620	3,038
Decrease in selected working capital.....	655	154	
Total receipts from operations.....	5,516	2,974	3,258
Budget expenditures.....	—1,781	—1,542	—2,048

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Sale of electric energy and other revenue.....	2,517	2,620	3,038
Other (interchange of power and other items not requiring funding).....	18		62
Total revenue.....	2,535	2,620	3,100

Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Expense.....	854	1,009	912
Net operating income.....	1,681	1,611	2,188
Other expense, nonfunded (—).....	—372	—302	—361
Net income for the year.....	1,309	1,309	1,827
Retained earnings, beginning of year.....	9,272	10,581	11,890
Retained earnings, end of year.....	10,581	11,890	13,717

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash:			
With Treasury.....	464	500	500
Advances from "Construction and rehabilitation" appropriation ¹	974	100	100
Deposit funds ²	284	284	284
Accounts receivable, net.....	42	42	42
Supplies.....	78	88	98
Deferred charges.....	20	20	20
Prepayments.....	13		
Fixed assets, net.....	16,100	16,435	16,635
Total assets.....	17,975	17,469	17,679
Liabilities:			
Current.....	896	173	173
Government investment:			
Interest-bearing investment:			
Start of year.....	5,700	6,498	5,406
Advanced from "Construction and rehabilitation".....	2,344	200	220
Donated assets during the year.....	6		
Repayment of investment to Treasury (—).....	—1,770	—1,506	—2,048
Net interest accrued due United States ³	218	214	211
End of year.....	6,498	5,406	3,789
Retained earnings.....	10,581	11,890	13,717
Total Government investment.....	17,079	17,296	17,506

¹ Carried as Treasury cash under the Construction and rehabilitation appropriation.

² The Fort Peck project and the Missouri River Basin project interchange power in their marketing operations. Rather than exchange funds for settlement on the balance of the interchange, the revenues of each project are covered into deposit funds pending distribution to the appropriate fund or receipt account.

³ The method used to compute the interest payment due the United States is 3% of the balance to be repaid at the end of the previous 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 Corps of Engineers—Civil.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	454	464	500	500
Obligated balance, net:				
Current liabilities.....	350	896	173	173
Unpaid undelivered orders.....	628	123		
Accounts receivable, net, and advances and deposit fund cash (—).....	—1,324	—1,300	—426	—426
Total obligated balance.....	—347	—282	—253	—253
Unobligated balance.....	800	746	753	753

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	261	244	243
Other personnel compensation.....	4	7	6
Total personnel compensation.....	265	251	249

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	16	16	15
21 Travel and transportation of persons.....	18	18	16
22 Transportation of things.....	1	4	4
23 Rent, communications, and utilities.....	9	11	10
24 Printing and reproduction.....		1	1
25 Other services.....	214	292	198
Services of other agencies.....	286	380	391
Services of "Construction and rehabilitation".....	2,779	352	220
26 Supplies and materials.....	53	71	61
31 Equipment.....	13	37	49
Subtotal.....	3,654	1,433	1,214
Deduct quarters and subsistence charges.....	4	4	4
Total accrued expenditures.....	3,650	1,429	1,210
Decrease (—) in unpaid undelivered orders.....	—505	—123	
Total obligations.....	3,145	1,307	1,210

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	52	41	40
Average number of all employees.....	48	41	40
Number of employees at end of year.....	42	38	40
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

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), \$61,400,000] (43 U.S.C. 620d), \$60,700,000, to remain available until expended [; Provided, That no part of the funds herein appropriated shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any national monument]. (43 U.S.C. 620-620o; Public Works Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$695 thousand for activities transferred in the estimates to "General administrative expenses."

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Operation and maintenance program:			
Central Utah project, Vernal unit.....			10
Capital outlay:			
2. Colorado River storage project:			
(a) Curecanti unit (Blue Mesa), Colorado.....		2,130	4,543
(b) Flaming Gorge unit, Utah.....	9,177	12,982	18,114
(c) Glen Canyon unit, Arizona.....	9,262	35,851	61,130
(d) Navajo unit, New Mexico.....	9,086	11,449	7,263
(e) Transmission division.....	283	3,842	10,382
(f) Advance planning:			
Applied to project accounts.....	—1,750		
Unapplied to project accounts.....	788	1,201	1,186
3. Participating projects:			
(a) Central Utah project, Vernal unit.....	1,499	2,566	1,606
(b) Florida project, Colorado.....		1,046	2,643
(c) Hammond project, New Mexico.....	423	1,200	1,526
(d) Paonia project, Colorado.....	1,996	1,993	480
(e) Seedskaadee project, Wyoming.....	1,385	1,296	5,148
(f) Smith Fork project, Colorado.....	489	1,429	2,136
4. Undistributed reduction in program costs reflected in undelivered orders.....			—15,000
5. Undistributed reduction based on anticipated delays (—).....			—5,000
Total capital outlay.....	32,638	76,985	96,157

BUREAU OF RECLAMATION—Continued

Public enterprise funds—Continued

UPPER COLORADO RIVER BASIN FUND—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Capital outlay—Continued			
6. Unfunded adjustments to total capital outlay:			
Interest on investment included above (—)	-1,180	-2,045	-4,054
Property transferred in (—) or out without charge, net	77	-931	-53
Total capital outlay, funded	31,535	74,009	92,050
Total program costs, funded	31,535	74,009	92,060
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—)		-3,592	-12,832
Obligations incurred for costs of other years, net	14,687		
Total obligations ¹	46,222	70,417	79,228
Financing:			
Amounts becoming available:			
Appropriation	74,460	61,400	60,700
Transferred to—			
"Operation and maintenance," Bureau of Reclamation (74 Stat. 821)		-2,200	
"Emergency fund," Bureau of Reclamation (74 Stat. 821)		-500	
Appropriation (adjusted)	74,460	58,700	60,700
Operating revenue: Funds advanced by water users			10
Nonoperating revenue	32	8	10
Recovery of prior year obligations	3		
Total amounts becoming available	74,495	58,708	60,720
Unobligated balance brought forward	1,994	30,235	18,518
Total amounts available	76,489	88,943	79,238
Capital transfer (payment of earnings to Treasury) (—)	-32	-8	-10
Unobligated balance carried forward	-30,235	-18,518	
Financing applied to program	46,222	70,417	79,228

¹ Includes \$650 thousand in 1960 and \$695 thousand in 1961 for general administrative activities transferred in estimates in 1962 to "General administrative expenses."

The fund defrays the cost of construction, operation, and maintenance of the Colorado River storage project and participating projects, a comprehensive basinwide development which will make possible the control and utilization of the water resources of the Upper Colorado River Basin. The storage project will regulate and conserve the flows of the Colorado River and its major tributaries through holdover storage in large reservoirs permitting increased consumptive use of water in the upper basin and the production of hydroelectric power. Excess revenue 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 financed through appropriations advanced to the fund. Project revenue will be credited to the fund and will cover costs of operation and maintenance. Revenue in excess of these costs will be utilized to repay project costs allocated to power, municipal and industrial water supply, and irrigation.

Budget program—1. *Operation and maintenance*.—The Vernal unit of the Central Utah project is scheduled to move into operational status in 1962. The Bureau of Reclamation will operate the facilities of the unit with funds advanced by the water users.

2. *Colorado River storage project*.—Work will continue on four units of the storage project with award of the prime contract for the Blue Mesa Dam and powerplant on the Curecanti unit scheduled during the year. Construction of the Glen Canyon-Curecanti and Flaming Gorge-Oak Creek transmission lines will continue. Studies of future lines and discussion of possible wheeling arrangements with utility companies are underway. If satisfactory wheeling arrangements cannot be made, funds will be requested to initiate construction of necessary additional transmission lines. Advance planning will be continued on five participating projects.

3. *Participating projects*.—During 1962 construction will be completed on the Paonia project and only minor clean-up work will remain on the Hammond project and the Vernal unit of the Central Utah project. Work will continue on three of the participating projects.

7. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Service facilities	15,075	15,249	15,140	15,129
Supplies	108	226	244	255
Deferred charges	216	99	85	268
Unpaid undelivered orders	16,955	31,467	28,009	15,017
Total selected resources at end of year	32,353	47,041	43,478	30,669
Selected resources at start of year (—)		-32,353	-47,041	-43,478
Property transferred in (—) without charge, net		-3	-29	-23
Adjustment due to recovery of prior year obligations		3		
Costs financed from obligations of other years, net (—)			-3,592	-12,832
Obligations incurred for costs of other years, net		14,687		

Financing.—The total cost of the authorized storage units and participating projects is estimated to be \$1,058 million of which \$249.3 million has been appropriated. The 1962 appropriation request consists of \$60.7 million for the basin fund, an increase of \$2 million over 1961. A balance of \$748.0 million remains to complete the authorized work.

Operating results.—During the construction period, only minor revenue is realized and expense is capitalized.

Budget expenditures will rise to \$77 million in 1962 from \$43 million in 1961.

The total investment of the Government in the fund is expected to reach \$326 million by the end of 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Construction work in progress.....	31,535	74,009	92,050
Expenses.....			10
Increase in selected working capital:			
Service facilities, net.....	173		
Other.....	359		
Total gross expenditures.....	32,067	74,009	92,060
Receipts from operations (funds provided):			
Nonoperating revenue.....	32	8	10
Operating revenue: Funds advanced by water users.....			10
Donated working capital (service facilities).....	3	29	23
Decrease in selected working capital:			
Service facilities, net.....		109	11
Other.....		30,863	15,006
Total receipts from operations.....	35	31,009	15,060
Budget expenditures.....	32,032	43,000	77,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
Revenue: Funds advanced by water users.....			10
Expense:			
Operating expense.....			10
Interest, Treasury.....	1,180	2,045	4,054
Interest charged to construction (-).....	-1,180	-2,045	-4,054
Total expense.....			10
Net income for the year.....			
Nonoperating income: Proceeds from lease of grazing lands.....	32	8	10
Analysis of retained earnings:			
Retained earnings, beginning of year.....			
Payments of earnings to Treasury (-).....	-32	-8	-10
Retained earnings, end of year.....			

Financial Condition (in thousands of dollars)			
Assets:			
Cash.....	64,283	79,975	63,665
Accounts receivable, net.....	192	183	184
Service facilities, net.....	15,249	15,140	15,129
Supplies.....	226	244	255
Deferred charges.....	99	85	268
Fixed assets.....	118,132	193,916	288,889
Advance planning.....	4,253	5,454	6,639
Total assets.....	202,434	294,997	375,029
Liabilities:			
Current.....	2,773	33,631	48,832
Government investment:			
Interest-bearing investment:			
Start of year.....	124,095	199,661	261,367
Appropriation.....	74,460	58,700	60,700
Donated assets:			
Fixed assets.....	1,663	938	53
Advance planning.....	14		
Service facilities.....	31	29	23
Transfers to other projects (-):			
Fixed assets.....	-4	-7	
Advance planning.....	-1,750		
Service facilities.....	-28		
Interest on investment (capitalized).....	1,180	2,045	4,054
End of year.....	199,661	261,366	326,197
Total Government investment.....	199,661	261,366	326,197

Status of Certain Fund Balances (in thousands of dollars)				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	21,887	64,283	79,975	63,665
Obligated balance, net:				
Current liabilities.....	3,129	2,773	33,631	48,832
Unpaid undelivered orders.....	16,955	31,467	28,009	15,017
Accounts receivable, net (-).....	-191	-192	-183	-184
Total obligated balance.....	19,893	34,047	61,457	63,665
Unobligated balance.....	1,994	30,235	18,518	-----

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,384	8,769	10,143
Positions other than permanent.....	147	188	192
Other personnel compensation.....	197	231	244
Total personnel compensation.....	6,728	9,188	10,579
12 Personnel benefits.....	458	728	819
21 Travel and transportation of persons.....	212	419	471
22 Transportation of things.....	147	272	303
23 Rent, communications, and utilities.....	281	280	306
24 Printing and reproduction.....	79	98	102
25 Other services.....	1,921	2,153	2,779
Services of other agencies.....	205	211	220
26 Supplies and materials.....	481	3,878	4,813
31 Equipment.....	339	475	499
32 Lands and structures.....	21,020	56,400	71,617
Subtotal.....	31,871	74,102	92,508
Deduct quarters and subsistence charges.....	161	228	288
Total accrued expenditures.....	31,710	73,874	92,220
Increase or decrease (-) in unpaid undelivered orders.....	14,512	-3,457	-12,992
Total obligations.....	46,222	70,417	79,228

Personnel Summary			
Total number of permanent positions.....	1,253	1,512	1,648
Full-time equivalent of other positions.....	36	41	41
Average number of all employees.....	1,035	1,370	1,583
Number of employees at end of year.....	1,116	1,408	1,599
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

Intragovernmental funds:			
ADVANCES AND REIMBURSEMENTS			
Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General investigations.....	149	191	2
2. Construction and rehabilitation.....	551	487	246
3. Operation and maintenance.....	91	83	50
4. General administrative expenses.....	8	16	16
5. Upper Colorado River Basin fund.....	460	460	465
6. Loan program.....	4	5	-----
7. Continuing fund for emergency expenses, Fort Peck project, Montana.....	9	-----	-----
Total obligations.....	1,272	1,242	779

BUREAU OF RECLAMATION—Continued**Intragovernmental funds—Continued****ADVANCES AND REIMBURSEMENTS—Continued****Program and Financing (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	480	631	293
Non-Federal sources (40 U.S.C. 481(c), 43 U.S.C. 395, 396, 620-620o, 5 U.S.C. 30(P)).....	792	611	486
Total financing.....	1,272	1,242	779

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	276	312	154
Positions other than permanent.....	5	5	-----
Other personnel compensation.....	1	3	-----
Total personnel compensation.....	282	320	154
12 Personnel benefits.....	18	22	11
21 Travel and transportation of persons.....	22	24	16
22 Transportation of things.....	3	1	-----
23 Rent, communications, and utilities.....	30	64	55
24 Printing and reproduction.....	1	1	1
25 Other services.....	347	406	153
Services of other agencies.....	7	14	14
26 Supplies and materials.....	210	209	205
31 Equipment.....	71	61	40
32 Lands and structures.....	281	120	130
Total obligations.....	1,272	1,242	779

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	40	42	21
Full-time equivalent of other positions.....	1	1	-----
Average number of all employees.....	40	41	21
Number of employees at end of year.....	34	27	18
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

SEC. 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 aircraft, 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. 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. 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. 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, 1961.*)

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; **[\$43,650,000]** \$50,165,000, of which **[\$7,450,000]** \$8,430,000 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.

[For an additional amount for "Surveys, investigations, and research", \$300,000.] (*Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Topographic surveys and mapping.....	14,715	15,543	17,070
2. Geologic and mineral resource surveys and mapping.....	11,417	12,350	13,560
3. Water resources investigations.....	11,675	12,891	14,030
4. Soil and moisture conservation.....	175	185	185
5. Conservation of lands and minerals.....	2,749	3,551	3,755
6. General administration.....	1,306	1,436	1,565
Total direct obligations.....	42,037	45,956	50,165
Reimbursable obligations:			
1. Topographic surveys and mapping:			
(a) States, counties, and municipalities.....	2,725	2,900	2,900
(b) Miscellaneous non-Federal sources.....	172	210	210
(c) Bureau of Reclamation.....	908	1,015	1,125
(d) Army.....	785	-----	-----
(e) Atomic Energy Commission.....	130	38	34
(f) National Science Foundation.....	160	327	480
(g) Miscellaneous Federal agencies.....	209	310	310
2. Geologic and mineral resource surveys and mapping:			
(a) States, counties, and municipalities.....	354	645	1,045
(b) Miscellaneous non-Federal sources.....	9	21	21
(c) Air Force.....	155	795	1,515
(d) Army.....	1,290	1,375	1,375
(e) Atomic Energy Commission.....	1,746	1,410	1,225
(f) Government Printing Office.....	100	125	125
(g) International Cooperation Administration.....	1,145	1,190	1,190
(h) National Aeronautics and Space Administration.....	-----	197	197
(i) National Science Foundation.....	58	63	100
(j) Miscellaneous Federal agencies.....	346	165	166
3. Water resources investigations:			
(a) States, counties, and municipalities.....	6,171	6,637	7,430
(b) Permittees and licensees of the Federal Power Commission.....	230	300	255
(c) Miscellaneous non-Federal sources.....	72	70	60
(d) Bureau of Reclamation.....	879	970	1,050
(e) Department of Agriculture.....	227	245	250

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations—Continued			
3. Water resources investigations—Con.			
(f) Air Force.....	131	140	140
(g) Army.....	1,837	2,000	1,990
(h) Department of Health, Education, and Welfare.....	155	107	111
(i) Department of State.....	115	127	131
(j) Atomic Energy Commission.....	599	805	820
(k) International Cooperation Ad- ministration.....	463	485	500
(l) Tennessee Valley Authority.....	97	115	110
(m) Miscellaneous Federal agencies.....	309	410	396
5. Conservation of lands and minerals:			
(a) Miscellaneous non-Federal sources.....	2	3	3
(b) Miscellaneous Federal agencies.....	46	51	51
6. General administration:			
(a) Miscellaneous non-Federal sources.....	14	18	16
(b) Army.....	142	118	119
(c) Miscellaneous Federal agencies.....	332	360	375
Total reimbursable obligations.....	22,113	23,747	25,825
Total obligations.....	64,150	69,703	75,990
Financing:			
Unobligated balance brought forward.....	-400	-400	-400
Advances and reimbursements from—			
Other accounts.....	-12,364	-12,943	-13,885
Non-Federal sources.....	-9,749	-10,804	-11,940
Unobligated balance carried forward.....	400	400	400
Unobligated balance lapsing.....	313		
New obligational authority.....	42,350	45,956	50,165
New obligational authority:			
Appropriation.....	42,350	43,950	50,165
Proposed supplemental due to pay increases.....		2,006	

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 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 topographic maps for those areas where investigations and development are most imminent, and areas to which Federal agencies, as well as State and local agencies have assigned a high priority. In 1962 standard quadrangle maps for an estimated 90,000 square miles of previously unsurveyed or inadequately surveyed areas in the United States will be prepared, and an estimated 14,000 square miles of mapping will be revised. This added to areas surveyed in previous years will result in an approximate total of nearly 2 million square miles completed. Of this amount, at least 185,000 square miles of the older 15-minute maps must be replaced sooner or later by modern, standard-accuracy surveys and maps of the 7½-minute series.

2. *Geologic and mineral resource surveys and mapping.*—These investigations consist of field and laboratory research in economic geology, regional geology, and geologic processes. The products of the investigations provide basic data essential to (a) the discovery, conservation,

and utilization of our natural resources, (b) modern engineering construction and water resource development, and (c) the solution of numerous problems that impinge upon regional industrial development. Over the next decade new geologic knowledge and maps will have increasing importance not only in the exploration, development, and appraisal of the Nation's mineral resources, but also in the fields of public health and safety, and in the vigorous exploration of space and oceans. Basic research in theoretical and experimental geochemistry and geophysics, which must go hand-in-hand with mapping and mineral investigations, will provide new concepts and discoveries in geologic science. The traditional environment of work for geologists is in the field—mapping and studying the rocks, minerals, and ores of the earth. Acceleration in scientific techniques over the past decade has opened up exciting and potentially rewarding areas of new geologic research, both in the field and in the laboratory.

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. Research is conducted to increase the fund of knowledge concerning the occurrence of water, its movement, and its interaction with the environment. Investigations are planned specifically to obtain water information needed to solve major water problems relating to distribution, supply, chemical quality and sediment load, pollution, floods, and variability. New work proposed for 1962 will consist largely of studies of the hydrology of various types of areas, such as arid zones, coastal areas, limestone and glacial terranes, and research in hydrologic principles.

4. *Soil and moisture conservation.*—This program provides land management agencies of the Department with basic hydrologic and geologic data needed for maintaining and improving the productive value of public lands.

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 210,000 leased properties, oil wells, and mines in 40 States are supervised. These leases are expected to produce oil, gas, and other minerals, valued at \$1.25 billion, and render royalty returns of about \$152 million. The States which produce the minerals receive 37½% of the royalties; the Reclamation fund, 52½%; and 10% is retained in the U.S. Treasury. In 1962 it is anticipated that the workload will aggregate 228,000 leases, wells, and mines, and the production and royalty values will reach \$1.38 billion and \$167 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 and for the accelerated classification and restoration of lands previously withdrawn. In 1962 it is expected that some 108,000 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

GEOLOGICAL SURVEY—Continued

Current authorizations—Continued

SURVEYS, INVESTIGATIONS, AND RESEARCH—Continued

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 thousand cash advance to pay the expenses of reimbursable work pending collection from cooperating agencies. This advance is not available for obligation.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	43,459	47,950	51,000
Positions other than permanent.....	2,684	2,925	3,270
Other personnel compensation.....	867	575	430
Total personnel compensation.....	47,010	51,450	54,700
Direct obligations:			
11 Personnel compensation.....	31,052	34,600	36,700
12 Personnel benefits.....	2,029	2,600	2,760
21 Travel and transportation of persons.....	2,090	2,120	2,470
22 Transportation of things.....	413	450	515
23 Rent, communications, and utilities.....	1,019	1,155	1,200
24 Printing and reproduction.....	565	610	745
25 Other services.....	1,134	925	1,400
Services of other agencies.....	284	285	250
26 Supplies and materials.....	1,908	1,891	2,213
31 Equipment.....	1,558	1,335	1,925
42 Insurance claims and indemnities.....	1		
Subtotal.....	42,053	45,971	50,178
Deduct quarters and subsistence charges.....	16	15	13
Total direct obligations.....	42,037	45,956	50,165
Reimbursable obligations:			
11 Personnel compensation.....	15,958	16,850	18,000
12 Personnel benefits.....	1,060	1,265	1,350
21 Travel and transportation of persons.....	1,437	1,490	1,585
22 Transportation of things.....	314	315	330
23 Rent, communications, and utilities.....	496	500	525
24 Printing and reproduction.....	122	120	130
25 Other services.....	685	720	1,420
Services of other agencies.....	268	255	260
26 Supplies and materials.....	945	1,010	1,272
31 Equipment.....	828	1,225	955
42 Insurance claims and indemnities.....	3		
Subtotal.....	22,116	23,750	25,827
Deduct quarters and subsistence charges.....	3	3	2
Total reimbursable obligations.....	22,113	23,747	25,825
Total obligations.....	64,150	69,703	75,990

Personnel Summary

Total number of permanent positions.....	6,950	7,050	7,500
Full-time equivalent of other positions.....	708	715	790
Average number of all employees.....	7,449	7,600	8,100
Number of employees at end of year.....	8,019	8,100	8,600
Average GS grade.....	8.0	8.0	8.0
Average GS salary.....	\$6,405	\$6,952	\$6,962

ADMINISTRATIVE PROVISIONS

The amount appropriated for the Geological Survey shall be available for purchase of not to exceed ~~forty-eight~~ *sixty-four* 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 *observation wells*; 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, 1961*).

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.
 "Construction and rehabilitation," Bureau of Reclamation.
 "Watershed protection," Soil Conservation Service, Department of Agriculture.
 "American sections, international commissions," 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)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-11	-12	-13
Unobligated balance carried forward.....	12	13	14
New obligational authority (appropriation)	1	1	1

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 1962.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Topographic surveys and mapping:			
Atomic Energy Commission.....	130	38	34
National Science Foundation.....	160	327	480
2. Geologic and mineral resource surveys and mapping:			
Air Force.....		517	1,515
Army.....	1,290	1,375	1,375
Atomic Energy Commission.....	1,741	1,410	1,225
National Aeronautics and Space Administration.....		197	197
National Science Foundation.....	58	63	100
Miscellaneous Federal agencies.....	147	45	45
3. Water resources investigations:			
Bureau of Reclamation.....	259	295	290
Army.....	1,636	2,000	1,990
Department of Health, Education, and Welfare.....	125	70	75

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Water resources investigations—Continued			
Atomic Energy Commission.....	503	805	820
Tennessee Valley Authority.....	97	115	110
Miscellaneous Federal agencies.....	99	92	90
5. Conservation of lands and minerals: Navy.....	43	47	47
6. General administration:			
Army.....	112	118	119
Miscellaneous Federal agencies.....	137	140	150
Total obligations (object class 25).....	6,537	7,654	8,662
Financing:			
Unobligated balance brought forward.....	60	156	-----
Advances and reimbursements from other accounts.....	6,683	7,498	8,662
Unobligated balance carried forward.....	-156	-----	-----
Unobligated balance lapsing.....	-49	-----	-----
Total financing.....	6,537	7,654	8,662

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; [\$22,017,000] \$23,963,000. (30 U.S.C. 1-11; 50 U.S.C. 161-166; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Bituminous coal.....	6,171	6,734	7,170
2. Anthracite coal.....	861	979	998
3. Petroleum, natural gas, and oil shale.....	2,675	2,966	3,303
4. Ferrous metals.....	3,698	3,947	4,029
5. Nonferrous metals.....	5,362	5,674	5,811
6. Nonmetallic minerals.....	2,131	2,237	2,282
7. Foreign mineral activities.....	319	361	370
8. Property or services transferred out without charge, net.....	1	-----	-----
Total program costs ¹	21,218	22,898	23,963
9. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-85	-----	-----
Total obligations.....	21,133	22,898	23,963
Financing:			
Unobligated balance lapsing.....	144	-----	-----
New obligational authority.....	21,277	22,898	23,963
New obligational authority:			
Appropriation.....	21,277	22,017	23,963
Proposed supplemental due to pay increases.....	-----	881	-----

¹ Includes capital outlay as follows: 1960, \$1,218 thousand; 1961, \$1,136 thousand; 1962, \$1,374 thousand.

Provision is made for conserving, evaluating, and developing mineral resources. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

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. Research will be conducted on the development of a stationary coal-burning gas turbine to provide a method of increasing the efficiency of steam-generating equipment. 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.

3. *Petroleum, natural gas, and oil shale.*—Research is conducted 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 Government policy. 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 manganese materials; (c) investigation of domestic chromite deposits; (d) studies to lower production costs of offgrade 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; (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 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 beneficiation of nonmetallic minerals; (c) research on the development of synthetic minerals as substitutes; and (d) research to develop more efficient methods of using our available nonmetallic minerals.

BUREAU OF MINES—Continued

Current authorizations—Continued

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES—Con.

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.

9. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	624	518	520	520
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	1,042	923	923	923
Advances (payments for goods and services on order not yet received).....	16	7	5	5
Total selected resources at end of year.....	1,682	1,448	1,448	1,448
Selected resources at start of year (—).....	—1,682	—1,448	—1,448	—1,448
Adjustment of selected resources reported at start of year.....		149		
Costs financed from obligations of other years, net (—).....		—85		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	14,779	16,431	17,069
Positions other than permanent.....	535	545	555
Other personnel compensation.....	246	215	142
Total personnel compensation.....	15,560	17,191	17,766
12 Personnel benefits.....	1,050	1,243	1,290
21 Travel and transportation of persons.....	466	470	500
22 Transportation of things.....	114	115	115
23 Rent, communications, and utilities.....	635	640	650
24 Printing and reproduction.....	287	280	280
25 Other services.....	529	500	565
26 Supplies and materials.....	1,340	1,325	1,425
31 Equipment.....	1,127	1,120	1,360
32 Lands and structures.....	26	16	14
Subtotal.....	21,134	22,900	23,965
Deduct quarters and subsistence charges.....	1	2	2
Total obligations.....	21,133	22,898	23,963

Personnel Summary

	1959 actual	1960 estimate	1961 estimate
Total number of permanent positions.....	2,445	2,518	2,544
Full-time equivalent of other positions.....	91	90	93
Average number of all employees.....	2,458	2,526	2,581
Number of employees at end of year.....	2,598	2,700	2,724
Average GS grade.....	8.0	8.1	8.1
Average GS salary.....	\$6,560	\$7,124	\$7,216
Average salary of ungraded positions.....	\$5,384	\$5,560	\$5,585

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, **[\$6,782,000]** \$7,220,000. (30 U.S.C.

1-11; 66 Stat. 692; 68 Stat. 1009; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Inspections, investigations, and rescue work.....	5,985	6,782	6,889
2. Control of fires in coal deposits.....	347	575	331
Total program costs.....	6,332	7,357	7,220
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	21		
Total obligations.....	6,353	7,357	7,220
Financing:			
Unobligated balance brought forward.....		—250	
Unobligated balance carried forward.....	250		
Unobligated balance lapsing.....	34		
New obligational authority.....	6,637	7,107	7,220
New obligational authority:			
Appropriation.....	6,637	6,782	7,220
Proposed supplemental due to pay increases.....		325	

1. *Inspections, investigations, and rescue work.*—The objectives for 1962 are to: (a) Inspect, at least once annually, every active coal mine regularly employing more than 14 men underground, take action in accordance with the Federal Coal Safety Act to require compliance with its mandatory provisions, and make recommendations to gain compliance with its voluntary provisions; (b) inspect annually, or as necessary, underground coal mines regularly employing less than 15 men, and all strip mines, and report on observed hazards with appropriate corrective recommendations; and (c) conduct investigations of serious accidents and make recommendations to reduce working hazards, safeguard the health of workers, and promote efficiency in the mineral industries. The Bureau encourages accident-prevention education through safety organizations, exhibits, safety-film productions, demonstrations, instruction by Bureau personnel in accident prevention, and first-aid and mine-rescue methods. Research is conducted on the support of mine roof and control of overburden, and various machines and devices are tested for use in mines and plants where explosive gas may be liberated or explosive atmospheres encountered. The Bureau also conducts field and laboratory studies on ventilation of mines, methods of allaying coal and mineral dusts, and safe blasting practices.

SUMMARY OF COAL-MINE INSPECTIONS

	[Calendar years]		
	1959 actual	1960 estimate	1961 estimate
Active mines.....	10,618	11,000	11,000
Individual mines inspected.....	8,115	9,000	10,500
Total inspections.....	11,050	11,000	12,500

2. *Control of fires in coal deposits.*—Fires in inactive or abandoned coal deposits on public lands or private property are controlled or extinguished. Expenditures in connection with fires in active coal mines are limited to 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	191	218	218	218
Advances (payments for goods and services on order not yet received).....	4	2	2	2
Total selected resources at end of year.....	195	220	220	220
Selected resources at start of year (—).....	—195	—220	—220	—220
Adjustment of selected resources reported at start of year.....	—4			
Obligations incurred for costs of other years, net.....		21		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,830	5,489	5,592
Positions other than permanent.....	34	33	34
Other personnel compensation.....	64	48	27
Total personnel compensation.....	4,928	5,570	5,653
12 Personnel benefits.....	328	378	389
21 Travel and transportation of persons.....	281	310	315
22 Transportation of things.....	26	26	27

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	69	70	72
24 Printing and reproduction.....	64	63	64
25 Other services.....	373	595	350
26 Supplies and materials.....	207	225	230
31 Equipment.....	77	120	120
Total obligations.....	6,353	7,357	7,220

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	685	720	720
Full-time equivalent of other positions.....	5	6	6
Average number of all employees.....	672	715	720
Number of employees at end of year.....	687	725	725
Average GS grade.....	8.0	8.1	8.1
Average GS Salary.....	\$6,560	\$7,124	\$7,216
Average salary of ungraded positions.....	\$5,384	\$5,560	\$5,585

CONSTRUCTION

For the construction and improvement of facilities under the jurisdiction of the Bureau of Mines, \$920,000, to remain available until expended [\$2,185,000]. (30 U.S.C. 1-11; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Laboratory facilities.....	4,971	1,187	538	1,326	1,920	1,000		920	
2. Helium facilities.....	16,130	13,774	1,926	430					
Total program costs.....	21,101	14,961	2,464	1,756	1,920	1,000		920	
3. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....			—2,398		—1,000				
Obligations incurred for costs of other years, net.....				949					
Total obligations.....			66	2,705	920				
Financing:									
Unobligated balance brought forward.....			—1,218	—520					
Recovery of prior year obligations.....			—3						
Unobligated balance carried forward.....			520						
Unobligated balance lapsing.....			635						
New obligational authority (appropriation).....				2,185	920				

1. *Laboratory facilities.*—Provision is made for equipping the new Engineering and Physical Sciences Building at Bartlesville, Okla.; initiation of advance planning in connection with the relocation of the facility at Pittsburgh, Pa.; and planning for other facilities.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2,449 thousand; 1960, \$51 thousand; 1961, \$1,000 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF MINES			
11 Personnel compensation: Permanent positions.....	11	40	
12 Personnel benefits.....		3	

BUREAU OF MINES—Continued**Current authorizations—Continued****CONSTRUCTION—Continued****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 est mate	1962 est mate
BUREAU OF MINES—Continued			
21 Travel and transportation of persons.....		2	
22 Transportation of things.....		2	
25 Other services.....	30	61	220
26 Supplies and materials.....	2	15	
31 Equipment.....		153	700
32 Lands and structures.....	4	429	
Total, Bureau of Mines.....	47	705	920
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....	19	55	
32 Lands and structures.....		1,945	
Total, General Services Administration.....	19	2,000	
Total obligations.....	66	2,705	920

Personnel Summary

Total number of permanent positions.....	12	7	
Average number of all employees.....	2	6	
Number of employees at end of year.....	1	0	
Average GS grade.....	8.0	8.1	
Average GS salary.....	\$6,560	\$7,124	
Average salary of ungraded positions.....	\$5,384	\$5,560	

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Mines, including such expenses in the regional offices, **[\$1,207,000]** \$1,292,000. (30 U.S.C. 1-11; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General administrative expenses (total program costs).....	1,184	1,290	1,292
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	11		
Total obligations.....	1,195	1,290	1,292
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority.....	1,197	1,290	1,292
New obligational authority:			
Appropriation.....	1,197	1,207	1,292
Proposed supplemental due to pay increases.....		83	

1. *General administrative expenses.*—This appropriation provides for the immediate Office of the Director and Deputy Director, the Administrative Division in Washington, and the top executive and administrative staffs in the five regional offices. The balance of the cost of administering the Bureau is charged to program funds

appropriated directly or transferred from Department of Defense, Atomic Energy Commission, General Services Administration, and other agencies.

2. *Relation of costs to obligations.*—The relationship is derived from year-end balance of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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).....	14	23	23	23
Advances (payments for goods and services on order not yet received).....	1	1	1	1
Total selected resources at end of year.....	15	24	24	24
Selected resources at start of year (—).....		—15	—24	—24
Adjustment of selected resources at start of year.....		2		
Obligations incurred for costs of other years, net.....		11		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	989	1,072	1,077
Positions other than permanent.....	8	9	9
Other personnel compensation.....	8	4	1
Total personnel compensation.....	1,005	1,085	1,087
12 Personnel benefits.....	70	81	81
21 Travel and transportation of persons.....	41	45	45
22 Transportation of things.....	3	3	3
23 Rent, communications, and utilities.....	14	15	15
24 Printing and reproduction.....	20	18	18
25 Other services.....	17	18	18
26 Supplies and materials.....	14	15	15
31 Equipment.....	11	10	10
Total obligations.....	1,195	1,290	1,292

Personnel Summary

Total number of permanent positions.....	163	163	163
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	158	158	158
Number of employees at end of year.....	172	170	170
Average GS grade.....	8.0	8.1	8.1
Average GS salary.....	\$6,560	\$7,124	\$7,216
Average salary of ungraded positions.....	\$5,384	\$5,560	\$5,585

DRAINAGE OF ANTHRACITE MINES**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Contribution to the Commonwealth of Pennsylvania (total program costs).....	1,232	1,500	625
2. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—473		
Total obligations (object class 41).....	759	1,500	625
Financing:			
Unobligated balance brought forward.....	—5,864	—5,105	—3,605
Unobligated balance carried forward.....	5,105	3,605	2,980
New obligational authority (appropriation).....			

Funds appropriated in 1956 (69 Stat. 460) will be expended in 1961 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 1962.

Relation of costs to obligations.—Year-end balances of unpaid undelivered orders are as follows: 1959, \$681 thousand; 1960, \$208 thousand; 1961, \$208 thousand; 1962, \$208 thousand.

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Bureau of Mines may be expended for purchase of not to exceed [ninety-four] *seventy* passenger motor vehicles [of which sixty-nine are] for replacement only; providing transportation services in isolated areas for employees, student dependents of employees, and other pupils, and such activities may be financed under cooperative arrangements; purchase and bestowal of certificates and trophies in connection with mine rescue and first-aid work: *Provided*, That the Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided further*, That the sums made available for the current fiscal year to the Departments of the Army, Navy, and Air Force for the acquisition of helium from the Bureau of Mines shall be transferred to the Bureau of Mines, and said sums, together with all other payments to the Bureau of Mines for helium, shall be credited to the special helium production fund, established pursuant to the Act of March 3, 1925, as amended (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, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "Construction and rehabilitation," Bureau of Reclamation.
 "Military construction, Army."
 "Operating expenses," Atomic Energy Commission.
 "Procurement of equipment and missiles, Army."
 "Research, development, test, and evaluation, Navy."
 "Revolving fund, Defense Production Act," funds appropriated to the President.
 "Salaries and expenses," Office of Civil and Defense Mobilization.

Public enterprise funds:

DEVELOPMENT AND OPERATION OF HELIUM PROPERTIES

For payment to the Helium production fund, established by section 6(f) of the Helium Act Amendments of 1960, to remain available without fiscal year limitation, \$15,000,000, to be borrowed from the Treasury in accordance with section 12(a) of such Act: Provided, That contracts and agreements entered into pursuant to section 3(a)(2) of the Helium Act Amendments of 1960 shall not require payments during any fiscal year in excess of \$60,000,000. (50 U.S.C. 164; 74 Stat. 918.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Manufacturing expense.....	4,944	5,833	7,048
2. Administrative and other expense.....	990	987	1,000
3. Research.....	84	256	290
4. Interest on Government investment.....		500	1,600
5. Transfer of fixed assets to other agencies.....	18		
Total operating costs.....	6,036	7,576	9,938

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
6. Unfunded adjustments to total current operating costs:			
Depreciation and depletion included above (—).....	—1,703	—1,824	—1,905
Transfer of fixed assets to other agencies (—).....	—18		
Total operating costs, funded.....	4,315	5,752	8,033
Helium stored underground:			
7. Contract purchases of helium.....			5,000
8. Other.....	1,297	1,162	893
Total, helium stored underground.....	1,297	1,162	5,893
Capital outlay:			
9. Land, structures, and equipment ¹	2,241	5,600	5,155
10. Pipeline construction.....			6,000
Total capital outlay.....	2,241	5,600	11,155
Total program costs, funded.....	7,853	12,514	25,081
11. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1,422	—432
Obligations incurred for costs of other years, net.....	1,150		
Total obligations.....	9,003	11,092	24,649
Financing:			
Amounts becoming available:			
Authorization to expend from public debt receipts.....			15,000
Revenue and receipts:			
Sale of helium.....	6,877	8,659	23,096
Other revenues.....	973	1,190	1,257
Sale of fixed assets.....	8	7	7
Donated working capital.....	44		
Adjustment of prior year revenue.....	6		
Total amounts becoming available.....	7,908	9,856	39,360
Unobligated balance brought forward: Cash (operating fund).....	5,006	3,911	2,675
Total amount available.....	12,914	13,767	42,035
Unobligated balance carried forward:			
Cash (operating fund).....	—3,911	—2,675	—2,387
Authorization to expend from public debt receipts.....			—15,000
Financing applied to program.....	9,003	11,092	24,649

¹ Excludes property transferred in without charge, as follows: 1960, \$17 thousand; 1961, \$11,487 thousand.

This fund is used for the production, conservation, and sale of helium and for the development of helium properties and reserves. Production is primarily for the Department of Defense and the Atomic Energy Commission which reimburse the fund for products received. Other Federal agencies and non-Federal consumers also buy helium for medical, scientific, and commercial uses.

Budget program.—The Helium Act amendments, approved September 13, 1960, provide for the conservation of helium now going to fuel markets as a noncombustible component of some natural gases from the southwestern part of the United States. To accomplish the conservation program, up to 12 new helium plants will be needed.

Authority to borrow \$15 million is being requested to carry out the helium conservation program. In addition,

BUREAU OF MINES—Continued

Public enterprise funds—Continued

DEVELOPMENT AND OPERATION OF HELIUM PROPERTIES—CON.

a supplemental of \$12 million is proposed for later transmission. Private industry is encouraged to finance, construct, and operate these plants under the amended legislation. However, if private industry does not indicate a willingness and capability to perform in a reasonable time, the Department will undertake the program as a Government operation.

Helium produced by private industry will be purchased by the Government under long-term contracts. Payments required under contracts and agreements for acquisition, processing, transportation, or conservation of helium, helium-bearing natural gas or helium-gas mixtures are proposed to be limited to \$60 million in any one year.

Funds borrowed will be used in the early years of the program to supplement the income received from sales of helium. The 1962 estimate of revenue is based on a sale price sufficient to cover costs of production and to provide for future repayment of Government investment, including accrued interest.

Operating results.—The investment of the Government in the helium production facilities has been on a non-interest-bearing basis. This investment becomes interest bearing as of March 1, 1961, at which time it is estimated to be \$40,965 thousand. Future investments will be interest bearing.

The total Government investment at the end of 1962 is estimated at \$56,640 thousand, an increase of \$28,175 thousand from 1960. This increase is primarily due to an increase in retained earnings, estimated at \$14,415 thousand which will accrue during 1962 as a result of the establishment of the new sales price structure.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Helium for sale.....	71	124	125	129
Advances.....	1	1	1	1
Supplies and deferred charges.....	603	953	953	801
Helium stored underground.....	31			
Unpaid undelivered orders.....	2,460	3,207	1,784	1,500
Total selected resources at end of year.....	3,166	4,285	2,863	2,431
Selected resources at start of year (—).....		—3,166	—4,285	—2,863
Adjustment of selected resources reported at start of year.....		31		
Costs financed from obligations of other years, net (—).....			—1,422	—432
Obligations incurred for costs of other years, net.....		1,150		

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of land, structures, and equipment..	2,241	5,600	11,155
Helium for underground storage:			
Contract purchases of helium.....			5,000
Other.....	1,297	1,162	893
Manufacturing expense.....	3,317	4,046	5,192
Other expense.....	1,051	1,707	2,845
Increase in selected working capital.....	93		
Total gross expenditures.....	7,999	12,515	25,085

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Revenue.....	7,850	9,849	24,353
Undistributed receipts:			
Proceeds from sale of fixed assets.....	8	7	7
Donated working capital.....	44		
Adjustment of prior-year revenue.....	6		
Decrease in selected working capital.....		86	130
Total receipts from operations.....	7,908	9,942	24,490
Budget expenditures.....	91	2,573	595

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	7,850	9,849	24,353
Expense.....	6,018	7,576	9,938
Net operating income.....	1,832	2,273	14,415
Nonoperating income or loss (—):			
Proceeds from sale of land, structures, and equipment.....	8	7	
Net book value of assets sold (—).....	—8	—7	—
Net nonoperating income or loss (—).....			
Net income for the year.....	1,832	2,273	14,415
Analysis of retained earnings:			
Retained earnings, beginning of year.....	6,490	8,328	773
Adjustment of prior year revenue.....	6		
Transferred to interest-bearing capital of earnings through Feb. 28, 1961 (74 Stat. 918).....		—9,828	
Retained earnings, end of year.....	8,328	773	15,188

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	7,603	5,030	4,435
Accounts receivable, net.....	564	571	597
Advances.....	1	1	1
Helium for sale (inventory).....	124	125	129
Supplies and deferred charges.....	953	953	801
Helium stored underground.....	1,328	2,490	8,383
Land, structures, and equipment, net.....	18,941	34,197	43,440
Total assets.....	29,514	43,367	57,786
Liabilities:			
Current.....	1,049	1,142	1,145
Government investment:			
Non-interest-bearing capital:			
Start of year.....	20,094	20,137	
Donated assets during year, net:			
Working capital.....	44		
Fixed assets.....	17	11,000	
Fixed assets transferred out during year, net.....	—18		
End of period (Feb. 28, 1961).....	20,137	31,137	
Transferred to interest-bearing capital pursuant to 74 Stat. 918.....		—31,137	
End of year.....	20,137		
Interest-bearing capital:			
Start of year.....			41,452
Transferred from non-interest-bearing capital (74 Stat. 918).....		31,137	
Retained earnings as of Feb. 28, 1961, transferred to interest-bearing capital.....		9,828	
Donated fixed assets during year, net.....		487	
End of year.....		41,452	41,452
Retained earnings.....	8,328	773	15,188
Total Government investment.....	28,465	42,225	56,640

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash.....	7,693	7,603	5,030	4,435
Budget authorization.....				15,000
Total unexpended balance.....	7,693	7,603	5,030	19,435
Obligated balance, net:				
Current liabilities.....	1,068	1,049	1,142	1,145
Unpaid undelivered orders.....	2,460	3,207	1,784	1,500
Accounts receivable, net (-).....	-841	-564	-571	-597
Total obligated balance.....	2,687	3,692	2,355	2,048
Unobligated balance.....	5,006	3,911	2,675	17,387

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,861	3,654	3,946
Other personnel compensation.....	116	118	117
Total personnel compensation.....	2,977	3,772	4,063
12 Personnel benefits.....	198	288	306
21 Travel and transportation of persons.....	35	35	35
22 Transportation of things.....	91	91	91
23 Rent, communications, and utilities.....	180	185	185
24 Printing and reproduction.....	5	5	5
25 Other services.....	199	270	2,071
26 Supplies and materials.....	2,116	2,268	7,170
31 Equipment.....	2,052	5,600	1,155
32 Lands and structures.....			10,000
Total costs.....	7,853	12,514	25,081
Costs financed from obligations of other years, net (-).....		-1,422	-432
Obligations incurred for costs of other years, net.....	1,150		
Total obligations.....	9,003	11,092	24,649

Personnel Summary

Total number of permanent positions.....	569	658	679
Average number of all employees.....	518	616	635
Number of employees at end of year.....	568	622	650
Average GS grade.....	8.0	8.1	8.1
Average GS salary.....	\$6,560	\$7,124	\$7,216
Average salary of ungraded positions.....	\$5,384	\$5,560	\$5,585

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Bituminous coal.....	1,037	1,136	1,137
2. Anthracite coal.....	1		
3. Petroleum, natural gas, and oil shale.....	405	463	463
4. Ferrous metals.....	21	40	3
5. Nonferrous metals.....	729	592	450
6. Nonmetallic minerals.....	148	91	91
7. Foreign mineral activities.....	95	95	97
8. Inspections, investigations, and rescue work.....	34	38	38

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
9. General administrative expenses.....	5		
Total obligations.....	2,475	2,455	2,279
Financing:			
Unobligated balance brought forward.....	197	316	300
Advances and reimbursements from other accounts.....	2,627	2,439	2,279
Unobligated balance carried forward.....	-316	-300	-300
Unobligated balance lapsing.....	-33		
Total financing.....	2,475	2,455	2,279

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	1,804	1,797	1,736
Positions other than permanent.....	62	61	59
Other personnel compensation.....	24	19	11
Total personnel compensation.....	1,890	1,877	1,806
12 Personnel benefits.....	118	137	129
21 Travel and transportation of persons.....	70	43	43
22 Transportation of things.....	14	21	21
23 Rent, communications, and utilities.....	23	19	17
24 Printing and reproduction.....	2	2	2
25 Other services.....	29	35	10
26 Supplies and materials.....	234	237	181
31 Equipment.....	95	84	70
Total obligations.....	2,475	2,455	2,279

Personnel Summary

Total number of permanent positions.....	298	298	279
Full-time equivalent of other positions.....	11	13	13
Average number of all employees.....	302	281	267
Number of employees at end of year.....	304	294	287
Average GS grade.....	8.0	8.1	8.1
Average GS salary.....	\$6,560	\$7,124	\$7,216
Average salary of ungraded positions.....	\$5,384	\$5,560	\$5,585

Proposed for later transmission:

CONSERVATION AND DEVELOPMENT OF MINERAL RESOURCES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Bituminous coal.....		70	
2. Anthracite coal.....		2	
3. Petroleum, natural gas, and oil shale.....		15	
4. Ferrous metals.....		13	
5. Nonferrous metals.....		19	
6. Nonmetallic minerals.....		2	
Total obligations.....		121	
Financing:			
New obligational authority (proposed supple- mental appropriation).....		121	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$121 thousand is anticipated as a result of wage-board rate increases effected since the submission of the 1961 budget estimates.

BUREAU OF MINES—Continued

Proposed for later transmission—Continued

DEVELOPMENT AND OPERATION OF HELIUM PROPERTIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Authorization to expend from public debt receipts:			
Unobligated balance brought forward.....			12,000
Unobligated balance carried forward.....		-12,000	-12,000
New obligational authority (proposed supplemental authorization to expend from public debt receipts).....		12,000	

Under proposed legislation, 1961.—This proposed supplemental authorization is to make funds available for construction and for the purchase of helium to carry out the helium conservation program.

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.

1962 will be the sixth 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 66 million in 1960 to 83 million in 1966.

Current authorizations:

MANAGEMENT AND PROTECTION

For expenses necessary for the management and protection of the areas and facilities administered by the National Park Service, including protection of lands in process of condemnation; and for plans, investigations, and studies of the recreational resources (exclusive of preparation of detail plans and working drawings) and archeological values in river basins of the United States (except the Missouri River Basin); [\$18,575,000] \$21,790,000. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Management of park and other areas.....	13,019	15,415	17,407
2. Forestry and fire control.....	1,075	1,033	1,140
3. Soil and moisture conservation.....	100	106	106
4. Park and recreation programs.....	2,261	2,440	2,673
5. Concessions management.....	336	390	464
Total program costs.....	16,791	19,384	21,790
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-20		
Total obligations.....	16,771	19,384	21,790
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	16,772	19,384	21,790

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	16,772	18,575	21,790
Proposed supplemental due to pay increases.....		809	

1. *Management of park and other areas.*—The estimate contemplates the administration of 193 park and other areas comprising about 24½ million acres located in 42 States, the District of Columbia, Puerto Rico, and the Virgin Islands. The increase proposed is to provide for (a) administration of 4 new areas for which funds are not now provided and additional funds for 1 new area partially provided for in the 1961 appropriation; (b) wage rate increases; (c) leasing commercial communication facilities; (d) operation of newly constructed mission 66 facilities; (e) operating costs brought about by increased visitor use and extension of operating season; (f) more adequate coordination of protection functions; and (g) for increasing the manpower of the U.S. Park Police force. Actual and estimated visitors and revenue receipts follow (in thousands):

	Calendar year visitors	Fiscal year receipts
1959 actual.....	62,812	\$5,688
1960 actual.....	66,637	5,685
1960 estimate.....	71,381	5,867
1961 estimate.....	72,711	6,077

2. *Forestry and fire control.*—Forests, brushland, or grassland of over 11 million acres are protected from fire, destructive insects, diseases, and other preventable damage. The increase proposed is to provide for (a) leasing of commercial communication facilities; (b) management supervision in regions 1 and 3; (c) operation of newly constructed mission 66 facilities; and (d) to strengthen existing organizations and facilities. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

3. *Soil and moisture conservation.*—The 1962 program will permit corrective measures on 20 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 of the park areas 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 leading to establishment and acquisition of rights to sources of water supply. The increase proposed is to provide for: (a) a recreational survey in the State of Hawaii; (b) for contract work in connection with the programs for the nationwide recreation planning and cooperation with States and other agencies; (c) expansion of water resource studies to keep pace with the expanded mission 66 construction programs; (d) for additional general expenses for the land use studies carried on at the regional office level; and (e) printing of reports already completed and to complete studies of aboriginal sites and structures under the historic sites survey program.

5. *Concessions management.*—There are approximately 175 major concessioners operating in the parks and other areas. Contracts are negotiated or permits issued; rates are established; services to be rendered are determined and records are audited. The increase proposed is to provide for management supervision in regions 1 and 2 offices; augment general expense funds for the existing management staff, and more adequate travel funds for the audit staff operating servicewide.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$658 thousand; 1959 (adjusted), \$634 thousand; 1960, \$614 thousand; 1961, \$614 thousand; 1962, \$614 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	10,529	12,492	13,625
Positions other than permanent.....	1,653	1,753	2,073
Other personnel compensation.....	410	348	308
Total personnel compensation.....	12,592	14,593	16,006
12 Personnel benefits.....	963	1,294	1,423
21 Travel and transportation of persons.....	548	550	600
22 Transportation of things.....	120	130	140
23 Rent, communications, and utilities.....	580	670	790
24 Printing and reproduction.....	194	200	250
25 Other services.....	701	770	930
26 Supplies and materials.....	560	640	951
31 Equipment.....	512	537	700
42 Insurance claims and indemnities.....	1		
Total obligations.....	16,771	19,384	21,790

Personnel Summary

Total number of permanent positions.....	1,907	2,048	2,222
Full-time equivalent of other positions.....	432	452	515
Average number of all employees.....	2,221	2,412	2,633
Number of employees at end of year.....	3,192	3,400	3,750
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

For expenses necessary for the operation, maintenance, and rehabilitation of roads (including furnishing special road maintenance service to 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, [\$15,000,000] \$18,238,000. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Roads and trails.....	6,031	6,434	7,403
2. Buildings, utilities, and other facilities.....	8,035	8,717	10,835
Total program costs.....	14,066	15,151	18,238
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	364		
Total obligations.....	14,430	15,151	18,238

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	5		
New obligational authority.....	14,435	15,151	18,238
New obligational authority:			
Appropriation.....	14,435	15,000	18,238
Proposed supplemental due to pay increases.....		151	

The objectives are to maintain and operate physical facilities while safeguarding the natural, historic and scenic values of the parks. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

1. *Roads and trails.*—The increase proposed is to finance (a) maintenance of one additional area; (b) leasing of commercial communication facilities; (c) wage rate increases; (d) maintenance and operation of new mission 66 facilities; and (e) to provide for more adequate maintenance of facilities existing at commencement of mission 66. The average miles of facilities maintained are as follows:

Facility:	1960	1961	1962
Roads.....	7,400	7,425	7,414
Trails.....	8,353	8,475	8,582
Airport runways.....	13	13	13

2. *Buildings, utilities, and other facilities.*—The increases proposed are for maintenance of four additional areas and for the same purposes as indicated in roads and trails above.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$383 thousand; 1959 (adjusted), \$367 thousand; 1960, \$731 thousand; 1961, \$731 thousand; 1962, \$731 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,327	7,673	8,491
Positions other than permanent.....	2,464	2,304	2,637
Other personnel compensation.....	221	124	136
Total personnel compensation.....	9,012	10,101	11,264
12 Personnel benefits.....	494	718	800
21 Travel and transportation of persons.....	148	160	175
22 Transportation of things.....	89	110	118
23 Rent, communications, and utilities.....	556	615	690
24 Printing and reproduction.....	8	9	10
25 Other services.....	836	634	1,000
26 Supplies and materials.....	1,998	1,760	2,756
31 Equipment.....	1,252	1,044	1,425
42 Insurance claims and indemnities.....	37		
Total obligations.....	14,430	15,151	18,238

Personnel Summary

Total number of permanent positions.....	1,543	1,602	1,767
Full-time equivalent of other positions.....	641	577	670
Average number of all employees.....	2,037	2,097	2,364
Number of employees at end of year.....	2,822	2,905	3,330
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

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; the acquisition of water rights; and not to exceed \$2,200,000 for the acquisition

of lands, interest therein, improvements, and related personal property; [\$18,000,000] \$28,997,000, to remain available until expended.

For an additional amount for "Construction", \$2,953,000, to remain available until expended, which shall be available toward further construction of the Jefferson National Expansion Memorial at a total cost to the United States of not to exceed \$17,250,000.

For an additional amount for "Construction", \$275,000. (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, 1961; Supplemental Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources, start of year	Add selected resources, end of year	Appropriation required for 1962	
Program by activities:									
1. Buildings, utilities, and other facilities.....	345,259	42,313	14,609	12,177	22,204	17,576	20,480	25,108	233,476
2. Acquisition of—									
(a) Lands.....	40,121	3,823	1,419	2,525	2,250	1,039	989	2,200	29,115
(b) Water rights.....	2,054	170	148	250	200	182	212	230	1,074
3. Parkways.....	191	163		28					
4. Roads and trails.....	4,559	337		2,763	955		504	1,459	
5. Undistributed costs.....	1,667	185	86	-271		1,667	1,667		
Total program costs.....	393,851	46,991	16,262	17,472	25,609	20,464	23,852	28,997	263,665
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....			540	8,658	3,388				
Total obligations.....			16,802	26,131	28,997				
Financing:									
Unobligated balance brought forward.....			-4,970	-4,903					
Unobligated balance carried forward.....			4,903						
New obligational authority (appropriation).....			16,735	21,228	28,997				

1. *Buildings, utilities, and other facilities.*—The 1962 program is the sixth year of a 10-year program to provide essential facilities to meet visitor requirements by 1966. A summary of the 1962 program by major type of construction follows (new obligational authority in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Camping and picnicking facilities.....	4,292	3,729	1,600
Public service and administrative units.....	3,677	7,312	14,299
Utilities.....	1,878	2,260	3,509
Employee housing.....	838	1,987	2,770
Miscellaneous.....	1,460	3,235	2,930
Total.....	12,145	18,523	25,108

2. *Acquisition of lands and water rights.*—Approximately 423,000 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 (in acres):

	1960 actual	1961 estimate	1962 estimate
Private lands, beginning of year.....	540,000	430,000	423,000
Acquired during year.....	110,000	7,000	8,000
Private lands, end of year.....	430,000	423,000	415,000

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. *Parkways.*—The obligations for this activity are against the carryover balance of prior appropriations authorized by the Federal-Aid Highway Act of 1952. The program authorized by title 23, U.S. Code is obligated against the contract authority provided by that title and is shown under the appropriation Construction (liquidation of contract authorization).

4. *Roads and trails.*—Obligations scheduled for 1961 represent the amount provided during 1960 for construction of parking areas for the District of Columbia Stadium and a small amount against the program authorized by the Federal-Aid Highway Act of 1952. The 1962 program provides for recreational developments in the Upper Colorado River Storage project. The program authorized by title 23, United States Code, is obligated against the contract authority provided by that title and is shown under the appropriation Construction (liquidation of contract authorization).

5. *Undistributed costs.*—These costs represent end-of-year variations in clearing accounts involving operations such as automotive shops, corrals, and facilitating services. The costs are distributed to the various activities served based on predetermined rates. Such rates are studied and adjusted at least once annually to provide for adequate operations.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	711	785	785	785
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)....	10,554	11,020	19,679	23,067
Total selected resources at end of year.....	11,265	11,805	20,464	23,852
Selected resources at start of year (—).....	—11,265	—11,805	—20,464	
Obligations incurred for costs of other years, net....		540	8,658	3,388

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NATIONAL PARK SERVICE			
11 Personnel compensation:			
Permanent positions.....	1,670	1,863	1,973
Positions other than permanent.....	994	1,100	1,415
Other personnel compensation.....	59	26	25
Total personnel compensation.....	2,723	2,989	3,413
12 Personnel benefits.....	158	182	206
21 Travel and transportation of persons.....	214	200	230
22 Transportation of things.....	42	45	45
23 Rent, communications, and utilities.....	112	115	126
24 Printing and reproduction.....	19	20	20
25 Other services.....	1,607	1,600	2,215
26 Supplies and materials.....	643	650	675
31 Equipment.....	397	300	315
32 Lands and structures.....	10,831	20,006	21,752
Total, National Park Service.....	16,746	26,107	28,997

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services.....	56	24	-----
Total obligations.....	16,802	26,131	28,997

Personnel Summary

Total number of permanent positions.....	322	344	355
Full-time equivalent of other positions.....	253	266	318
Average number of all employees.....	398	428	495
Number of employees at end of year.....	806	865	905
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)

For liquidation of obligations incurred pursuant to authority contained in [section 106 of the Federal-Aid Highway Act of 1956 (70 Stat. 376) and section 6 of the Federal-Aid Highway Act of 1958 (72 Stat. 93)] title 23, *United States Code, section 203*, \$30,000,000, to remain available until expended: *Provided*, That none of the funds herein provided shall be expended for construction on the following: Fort Washington and Greenbelt Park, Maryland, except minor roads and trails; Daingerfield Island Marina, Virginia; and extension of the George Washington Memorial Parkway from vicinity of Brickyard Road to Great Falls, Maryland. (5 U.S.C. 124-132; 16 U.S.C. 8, 8a, 192b-2-5, 403h-11, 431-433, 459r, 460a-2, 461-467; Act of May 29, 1930 (46 Stat. 432); Act of June 16, 1933 (48 Stat. 200, 201); Act of Aug. 17, 1949 (63 Stat. 612); Act of Aug. 9, 1955 (69 Stat. 555); Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs			Analysis of 1962 financing		
	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Contract authorization available for 1962
Program by activities:						
1. Parkways.....	13,245	14,889	22,794	35,908	29,114	16,000
2. Roads and trails.....	12,804	17,475	20,206	32,970	30,764	18,000
Total program costs.....	26,049	32,364	43,000	68,878	59,878	34,000
3. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—).....			—7,300			
Obligations incurred for costs of other years, net.....	6,802	4,811	-----			
Total obligations.....	32,851	37,175	35,700			
Financing:						
Unobligated balance brought forward (contract authorization).....	—35,726	—38,875	—35,700			
Unobligated balance carried forward (contract authorization).....	38,875	35,700	34,000			
New obligational authority (contract authorization).....	36,000	34,000	34,000			

NATIONAL PARK SERVICE—Continued

Current authorizations—Continued

CONSTRUCTION (LIQUIDATION OF CONTRACT AUTHORIZATION)—CON.

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	45,052	51,052	55,052
Contract authorization (new).....	36,000	34,000	34,000
Unfunded balance carried forward.....	-51,052	-55,052	-59,052
Appropriation to liquidate contract au- thorization.....	30,000	30,000	30,000

1. *Parkways.*—Progress of construction of 10 authorized parkways is shown as follows (in thousands of dollars):

	Estimated total cost	Authorized through 1961	Program, 1962	Estimated cost to complete
1. Baltimore-Washington.....	19,076	15,106	-----	3,969
2. Blue Ridge.....	95,061	71,139	3,290	20,632
3. Chesapeake and Ohio Canal.....	7,230	300	-----	6,930
4. Colonial.....	9,023	8,428	595	-----
5. Foothills.....	27,182	8,346	1,859	16,977
6. George Washington Memo- rial ¹	50,547	18,340	1,574	30,632
7. Natchez Trace.....	109,216	51,681	5,808	51,727
8. Palisades.....	6,213	343	-----	5,870
9. Rock Creek and Potomac.....	4,609	653	2,688	1,268
10. Suitland.....	3,640	1,080	186	2,374
Total.....	331,798	175,416	16,000	140,381

¹ Excludes \$8 million appropriated to Central Intelligence Agency for construction on parkway.

2. *Roads and trails.*—The 1962 program contemplates work on 103 miles of major roads, including reconstruction of 52 miles; construction of 8 structures; construction of 51 miles of new roads; and work on numerous minor roads, trails, and parking areas.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$22,124 thousand; 1959 (adjusted), \$21,565 thousand; 1960, \$28,367 thousand; 1961, \$33,178 thousand; 1962, \$25,878 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
NATIONAL PARK SERVICE			
11 Personnel compensation:			
Permanent positions.....	2,511	2,550	2,600
Positions other than permanent.....	743	890	890
Other personnel compensation.....	46	10	10
Total personnel compensation.....	3,300	3,450	3,500
12 Personnel benefits.....	187	195	195
21 Travel and transportation of persons.....	273	270	270
22 Transportation of things.....	24	23	23
23 Rent, communications, and utilities.....	105	110	110
24 Printing and reproduction.....	25	25	25
25 Other services.....	2,000	2,000	2,000
26 Supplies and materials.....	677	685	685
31 Equipment.....	162	150	150
32 Lands and structures.....	22,968	27,110	25,517
Total, National Park Service.....	29,721	34,018	32,475

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Personnel compensation:			
Permanent positions.....	1,443	1,578	1,603
Positions other than permanent.....	148	149	149
Other personnel compensation.....	98	94	88
Total personnel compensation.....	1,689	1,821	1,840
12 Personnel benefits.....	62	62	62
21 Travel and transportation of persons.....	129	129	129
22 Transportation of things.....	14	14	14
23 Rent, communications, and utilities.....	62	62	62
24 Printing and reproduction.....	16	16	16
25 Other services.....	966	966	966
26 Supplies and materials.....	27	27	27
31 Equipment.....	3	3	3
32 Lands and structures.....	162	57	106
Total, Bureau of Public Roads.....	3,130	3,157	3,225
Total obligations.....	32,851	37,175	35,700

Personnel Summary

NATIONAL PARK SERVICE			
Total number of permanent positions.....	332	339	339
Full-time equivalent of other positions.....	185	211	211
Average number of all employees.....	502	534	534
Number of employees at end of year.....	641	680	680
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....	325	325	325
Full-time equivalent of other positions.....	41	41	41
Average number of all employees.....	324	324	325
Number of employees at end of year.....	183	185	185
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the National Park Service, including such expenses in the regional offices, **[\$1,485,000] \$1,583,000.** (16 U.S.C. 1; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental expenses.....	932	1,006	1,007
2. Regional office expenses.....	540	575	576
Total program costs.....	1,472	1,581	1,583
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	3	-----	-----
Total obligations.....	1,475	1,581	1,583
Financing:			
New obligational authority.....	1,475	1,581	1,583

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	1,475	1,485	1,583
Proposed supplemental due to pay increases.....		96	

1 and 2. *Departmental and regional office expenses.*—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.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$52 thousand; 1959 (adjusted), \$47 thousand; 1960, \$50 thousand; 1961, \$50 thousand; 1962, \$50 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,154	1,264	1,273
Positions other than permanent.....	7	4	4
Other personnel compensation.....	10	7	2
Total personnel compensation.....	1,171	1,275	1,279
12 Personnel benefits.....	76	96	97
21 Travel and transportation of persons.....	84	84	84
22 Transportation of things.....	7	3	3
23 Rent, communications, and utilities.....	28	28	28
24 Printing and reproduction.....	45	45	45
25 Other services.....	26	24	24
26 Supplies and materials.....	14	13	13
31 Equipment.....	24	13	10
Total obligations.....	1,475	1,581	1,583

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	153	153	153
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	148	150	150
Number of employees at end of year.....	148	149	149
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

ADMINISTRATIVE PROVISIONS

Appropriations for the National Park Service shall be available for the purchase of not to exceed [eighty-one] *one hundred and six* passenger motor vehicles (of which [seventy-one] *ninety* are for replacement only), including not to exceed [thirty-five] *forty-three* for police-type use which may exceed by \$300 each the general purchase price limitation for the current fiscal year; replacement of one aircraft; and the objects and purposes specified in the Acts of August 8, 1953 (16 U.S.C. 1b-1d), and July 1, 1955 (16 U.S.C. 18f). (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "Capital outlay, public buildings construction," District of Columbia.
 "Construction and rehabilitation," Bureau of Reclamation.
 "Forest protection and utilization," Forest Service.
 "Operating expenses, National Capital Parks," District of Columbia.
 "Payments to school districts," Office of Education.

Permanent authorizations:

NATIONAL PARK SERVICE PERMANENT APPROPRIATIONS

(Indefinite special funds)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Educational expenses, children of employees, Yellowstone National Park.....	38	52	139
2. Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park.....	31	58	17
3. Payment for tax losses on land acquired for Grand Teton National Park.....	30	29	30
Total operating costs.....	99	139	186
Capital outlay:			
1. Educational expenses, children of employees, Yellowstone National Park.....		63	
4. Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park.....		140	
Total capital outlay.....		203	
Total program costs.....	99	342	186
5. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—11		
Total obligations.....	89	342	186
Financing:			
Unobligated balance brought forward.....	—138	—183	—30
Unobligated balance carried forward.....	183	30	30
New obligational authority.....	134	189	186
New obligational authority:			
"Educational expenses, children of employees, Yellowstone National Park".....	38	114	139
"Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park".....	31	21	17
"Payment for tax losses on land acquired for Grand Teton National Park".....	29	30	30
"Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park".....	36	24	
Appropriation.....	134	189	186

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 (62 Stat. 338). Funds in excess of needs are returned to the Treasury as miscellaneous receipts. During 1962 it is estimated there will be 95 elementary and 32 high school students. Cost per student is \$453 for elementary and \$684 for high school. In addition, the amount of \$74 thousand is programed as a contribution toward expansion of the high school at Gardiner, Mont.

2. *Operation, management, maintenance, and demolition of federally acquired properties, Independence National Historical Park.*—Some of the buildings on lands acquired for establishment of the Independence National Historical Park, Philadelphia, Pa., are rented pending

NATIONAL PARK SERVICE—Continued

Permanent authorizations—Continued

NATIONAL PARK SERVICE PERMANENT APPROPRIATIONS—CON.

(Indefinite special funds)—Continued

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 visitor fee revenues are used to compensate the State of Wyoming for tax losses on Grand Teton National Park lands (64 Stat. 849).

4. *Purchase of Great Onyx and Crystal Cave properties, Mammoth Cave National Park.*—Receipts from guide fees at Mammoth Cave National Park, Ky., in excess of the annual appropriation for management, guide, and protection purposes at the park, are available for acquisition of the privately owned Great Onyx and Crystal Cave properties located within the park boundaries (68 Stat. 36).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$11 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	12	19	10
Positions other than permanent.....	12	13	4
Total personnel compensation.....	24	32	14
12 Personnel benefits.....	1	2	1
21 Travel and transportation of persons.....		1	
23 Rent, communications, and utilities.....	6	9	2
25 Other services.....	34	52	60
26 Supplies and materials.....	3	12	5
31 Equipment.....	1	2	
32 Lands and structures.....		203	
41 Grants, subsidies, and contributions.....	20	29	104
Total obligations.....	89	342	186

Personnel Summary

Total number of permanent positions.....	2	2	1
Full-time equivalent of other positions.....	3	3	1
Average number of all employees.....	3	4	1
Number of employees at end of year.....	3	3	1
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Sale of quarters and subsistence to employees (non-Federal).....	793	775	775
2. Sale of utilities to concessioners and others (non-Federal).....	533	500	500

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Miscellaneous other (non-Federal).....	351	442	442
4. Miscellaneous services to other accounts (Federal).....	436	424	403
Total obligations.....	2,113	2,141	2,120
Financing:			
Unobligated balance brought forward.....	6	1	
Advances and reimbursements from—			
Other accounts.....	432	443	423
Non-Federal sources.....	1,676	1,697	1,697
Unobligated balance carried forward.....	—1		
Total financing.....	2,113	2,141	2,120

Note.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U.S.C. 481 (c)); for providing financial assistance for local educational agencies in areas affected by Federal activities (20 U.S.C. 236-244); for furnishing all types of utility services to concessioners, contractors, permittees, or other users of such services (67 Stat. 495); for furnishing meals and quarters to employees of the Government in the field and to cooperating agencies (16 U.S.C., sec. 14b, 456a); for furnishing special road maintenance to trucking permittees (Department of the Interior and Related Agencies Appropriation Act, 1960); for services furnished to the State of Louisiana (16 U.S.C., sec. 464); for the State of North Carolina's portion of the costs of lands being acquired by the Federal Government for purposes of Cape Hatteras National Seashore Recreation 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	909	910	910
Positions other than permanent.....	1		
Total personnel compensation.....	910	910	910
12 Personnel benefits.....	39	40	40
21 Travel and transportation of persons.....	26	27	27
22 Transportation of things.....	14	14	14
23 Rent, communications, and utilities.....	311	311	311
24 Printing and reproduction.....	2	2	2
25 Other services.....	143	144	144
26 Supplies and materials.....	423	448	427
31 Equipment.....	186	185	185
32 Lands and structures.....	58	60	60
41 Grants, subsidies, and contributions.....	1		
Total obligations.....	2,113	2,141	2,120

Personnel Summary

Total number of permanent positions.....	21	20	20
Average number of all employees.....	217	217	217
Number of employees at end of year.....	20	20	20
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

Proposed for later transmission:

MANAGEMENT AND PROTECTION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Management of park and other areas.....		37	
2. Forestry and fire control.....		1,125	
Total program costs—obligations.....		1,162	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
New obligatory authority (proposed supplemental appropriation).....		1,162	

Under existing legislation.—A supplemental estimate, in the amount of \$1,162 thousand is anticipated for forest fire suppression, and for increased operating costs due to Hurricane Donna damage.

MAINTENANCE AND REHABILITATION OF PHYSICAL FACILITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Roads and trails.....		347	
2. Buildings, utilities, and other facilities.....		390	
Total program costs—obligations.....		737	
Financing:			
New obligatory authority (proposed supplemental appropriation).....		737	

Under existing legislation.—A supplemental estimate, in the amount of \$737 thousand is anticipated for wage rate increases, repairs to facilities damaged in a storm at Lake Mead National Recreation Area and by Hurricane Donna in several parks in southeastern United States, and replacement of equipment destroyed in a building fire at Kings Canyon National Park.

CONSTRUCTION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Buildings, utilities, and other facilities.....		437	
2. Roads and trails.....		30	
Total program costs—obligations.....		467	
Financing:			
New obligatory authority (proposed supplemental appropriation).....		467	

Under existing legislation.—A supplemental estimate, in the amount of \$467 thousand is anticipated for reconstruction of facilities destroyed by Hurricane Donna and replacement of a building destroyed by fire at Kings Canyon National Park.

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 revenue which has 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

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Office of the Commissioner of Fish and Wildlife: Salaries and expenses (total direct obligations).....	<u>339</u>	<u>364</u>	<u>364</u>
Bureau of Sport Fisheries and Wildlife: Management and investigations of resources:			
1. Management of fishery resources.....	4,728	5,152	5,753
2. Extension and training.....	169	207	207
3. Fishery research.....	637	1,007	1,210
4. Administration of wildlife resources:			
(a) Operation and maintenance of refuges.....	6,248	6,923	8,689
(b) Management and enforcement.....	1,985	2,425	2,890
(c) Administration of Alaska game laws.....	381		
5. Control of predatory animals and injurious rodents.....	2,048	2,134	2,530
6. Wildlife research.....	1,995	2,016	2,364
7. Soil and moisture conservation.....	206	208	208
8. River basin studies.....	1,039	1,056	1,070
Total.....	<u>19,436</u>	<u>21,128</u>	<u>24,921</u>
Construction:			
1. Sportfish facilities.....	1,637	3,483	1,739
2. Wildlife facilities:			
(a) Devils Kitchen Dam.....	134		
(b) Other construction.....	1,351	3,259	2,328
(c) Land acquisition.....	2,003	4,443	5,526
Total.....	<u>5,125</u>	<u>11,185</u>	<u>9,593</u>
General administrative expenses:			
1. Departmental expense.....	329	368	391
2. Regional office expense.....	904	959	990
Total.....	<u>1,233</u>	<u>1,327</u>	<u>1,381</u>
Grants to States and local governments under permanent authorizations.....	<u>21,144</u>	<u>21,728</u>	<u>22,826</u>
Total direct obligations, Bureau of Sport Fisheries and Wildlife.....	<u>46,938</u>	<u>55,368</u>	<u>58,721</u>
Bureau of Commercial Fisheries: Management and investigations of resources:			
1. Management.....	318	369	373
2. Marketing and technology.....	3,902	4,334	4,735
3. Research.....	6,089	6,614	7,690
4. Research on fish migration over dams.....	291	303	527
5. Administration of Alaska fisheries.....	749		
6. Fishing vessel mortgage insurance.....	14	51	52
7. Columbia River fishery facilities.....			1,915
Total.....	<u>11,363</u>	<u>11,671</u>	<u>15,292</u>
Construction:			
1. Fishery facilities.....	446	2,645	6,130
2. Columbia River fishery facilities.....			1,431
Total.....	<u>446</u>	<u>2,645</u>	<u>7,561</u>

FISH AND WILDLIFE SERVICE—Continued

PROGRAM—Continued

[In thousands of dollars]

1960 actual 1961 estimate 1962 estimate

Bureau of Commercial Fisheries—Con.			
General administrative expenses:			
1. Departmental expense.....	298	319	336
2. Regional office expense.....	350	380	477
Total.....	648	699	813
Administration of Pribilof Islands.....	1,740	2,099	1,981
Payment to Alaska, Pribilof Islands receipts.....	814	1,050	539
Advisory committee expense.....	24	32	34
Fisheries loan fund.....	1,753	2,505	2,505
Construction of fishing vessels.....		750	1,000
Total direct obligations, Bureau of Commercial Fisheries.....	16,788	21,451	29,725
Total direct obligations, Fish and Wildlife Service.....	64,065	77,183	88,810

FINANCING

Unobligated balance brought forward.....	-14,350	-16,551	-13,350
Recovery of prior year obligations.....	-150		
Unobligated balance carried forward.....	16,551	13,350	9,249
Unobligated balance lapsing.....	484		
Receipts provided by operations:			
Federal ship mortgage insurance for fishing vessels.....		-35	-72
Fisheries loan fund.....	-1,069	-1,120	-1,175
New obligational authority:			
Office of the Commissioner of Fish and Wildlife: Salaries and expenses.....	340	364	364
Bureau of Sport Fisheries and Wildlife:			
Management and investigations of resources:			
Definite.....	13,520	19,253	23,200
Indefinite.....	268		
Construction.....	3,410	4,785	4,067
General administrative expenses.....	631	1,016	1,071
Expenses for sales of refuge products.....	76	97	115
Federal aid in fish restoration.....	5,589	5,836	5,600
Federal aid in wildlife restoration.....	16,602	15,590	15,273
Management of national wildlife refuges.....	1,519	1,460	1,432
Migratory bird conservation account.....	4,837	5,000	5,000
Payment to Alaska, Alaska game law.....	17	2	
Payment to counties from receipts under Migratory Bird Act.....	506	487	477
Payment due counties, submarginal land program, Farm Tenant Act.....		6	4
Total, Bureau of Sport Fisheries and Wildlife.....	46,975	53,532	56,239
Bureau of Commercial Fisheries:			
Management and investigations of resources:			
Definite.....	6,345	6,926	9,296
Indefinite:			
Special fund.....	398		
Special foreign currency program.....			1,000
Construction.....	400	2,400	7,561
General administrative expenses.....	325	385	482
Administration of Pribilof Islands (indefinite special fund).....	1,940	2,099	1,981
Construction of fishing vessels.....		750	1,000
Promote and develop fishery products and research pertaining to American fisheries.....	4,994	5,321	5,000

FINANCING—Continued

[In thousands of dollars]

1960 actual 1961 estimate 1962 estimate

New obligational authority—Con.			
Bureau of Commercial Fisheries—Continued			
Payment to Alaska from Pribilof Islands receipts.....	814	1,050	539
Fisheries loan fund.....	3,000		
Total, Bureau of Commercial Fisheries.....	18,216	18,931	26,859
Total new obligational authority, Fish and Wildlife Service.....	65,531	72,827	83,462

OFFICE OF THE COMMISSIONER OF FISH AND WILDLIFE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Commissioner, [\$342,000] \$364,000. (5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Departmental expenses (total obligations).....	339	364	364
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	340	364	364
New obligational authority:			
Appropriation.....	340	342	364
Proposed supplemental due to pay increases.....		22	

This expense is for direction and coordination at headquarters in Washington, D.C.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	265	291	292
Other personnel compensation.....	2	1	
Total personnel compensation.....	267	292	292
12 Personnel benefits.....	18	19	19
21 Travel and transportation.....	10	10	10
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	6	8	8
24 Printing and reproduction.....	16	12	12
25 Other services.....	6	11	11
Services of other agencies.....	8	8	8
26 Supplies and materials.....	4	3	3
31 Equipment.....	3	1	1
Total obligations.....	339	364	364

Personnel Summary

Total number of permanent positions.....	37	33	33
Average number of all employees.....	33	33	32
Number of employees at end of year.....	32	33	33
Average GS grade.....	9.4	9.9	9.9
Average GS salary.....	\$7,968	\$8,936	\$8,959

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations).....	5		
Financing:			
Advances and reimbursements from other accounts.....	5		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	3		
25 Other services.....	2		
Total obligations.....	5		

Personnel Summary

Total number of permanent positions.....	1		
Number of employees at end of year.....	0		
Average GS grade.....	9.4		
Average GS salary.....	\$7,968		

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; **[\$18,645,000] \$23,200,000.** (7 U.S.C. 426; 16 U.S.C. 581, 590a-590f, 661-669i, 671-696b, 701-711, 715-715s, 718-718h, 721-731, 741-742j; 744-757, 760-760-8, 760a-760c, 760e-760g, 777-778c, 811, 851-856, 921, 931-931c, 1008; 18 U.S.C. 41-44; 19 U.S.C. 1001, par. 1518; 43 U.S.C. 422h, 620g; 48 U.S.C. 248-248b; 74 Stat. 733, 753, 866, 1052; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Management of fishery resources.....	4,728	5,152	5,753
2. Extension and training.....	169	207	207
3. Fishery research.....	531	895	1,160
4. Administration of wildlife resources:			
(a) Definite.....	3,785	7,658	9,961
(b) Indefinite.....	268		
5. Control of predatory animals and injurious rodents.....	2,048	2,134	2,530
6. Wildlife research.....	1,178	1,943	2,311
7. Soil and moisture conservation.....	206	208	208
8. River basin studies.....	833	1,056	1,070
Total obligations.....	13,746	19,253	23,200
Financing:			
Unobligated balance lapsing.....	42		
New obligational authority.....	13,788	19,253	23,200

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation:			
Definite.....	13,520	18,645	23,200
Indefinite special fund.....	268		
Proposed supplemental due to pay increases.....	-----	608	-----

1. *Management of fishery resources.*—A total of 94 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 Federal, State, 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.*—This activity covers studies of nutrition and diseases of salmon, trout, and warm-water fish; improved methods of fish husbandry; scientific management of public water areas for fishing; conservation of marine sport fishes; and effects of environment and pesticides on fish. Direct appropriations for this activity are supplemented by funds of the permanent account Federal aid in fish restoration and management. In 1960, these supplementary funds totaled \$106 thousand. The 1961 estimate is \$112 thousand and the 1962 estimate is \$50 thousand.

4. *Administration of wildlife resources.*—This activity covers: (a) The operation and maintenance of 277 wildlife refuges, consisting of more than 17 million acres, for the conservation of migratory waterfowl and the preservation and propagation of rare birds and mammals. Of the total, 3.5 million acres are primarily for waterfowl. Direct appropriations for this subactivity are supplemented by funds of the permanent accounts Management of national wildlife refuges and Migratory bird conservation account (the latter through 1960). In 1960, these supplementary funds totaled \$3,212 thousand. The 1961 estimate is \$1,089 thousand and the 1962 estimate is \$1,003 thousand. (b) Enforcement of the Migratory Bird Treaty and Lacey Acts for the protection of migratory birds and regulation of interstate and foreign shipments of game; and migratory game bird surveys. Direct appropriations for the enforcement function are supplemented by funds of the permanent accounts Management of national wildlife refuges and Migratory bird conservation account (the latter through 1960). In 1960, these supplementary funds totaled \$1,046 thousand. The 1961 and 1962 estimates are \$382 thousand. Direct appropriations for migratory game bird surveys are supplemented by funds of the permanent accounts Migratory bird conservation account and Federal aid in wildlife restoration through 1960. These funds totaled \$231 thousand. (c) Administration of Alaska game law which was eliminated in 1961 because of transfer of certain functions to the State of Alaska, effective January 1, 1960, and a shift of financing of continuing Federal functions to other Bureau activities. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

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,

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Current authorizations—Continued

MANAGEMENT AND INVESTIGATIONS OF RESOURCES—continued

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. Direct appropriations for this activity are supplemented by funds of the permanent accounts Federal aid in wildlife restoration and Migratory bird conservation account (the latter through 1960). In 1960, these supplementary funds totaled \$817 thousand. The 1961 estimate is \$73 thousand and the 1962 estimate is \$53 thousand.

7. *Soil and moisture conservation.*—This activity covers long-range work on 47 national wildlife refuges in combating erosion and depletion of nearly 2.2 million acres of soil.

8. *River basin studies.*—This activity covers studies of the effects on fish and wildlife resources of power, navigation, irrigation, drainage and other water-use projects of Federal agencies and licensees under the Federal Power Act. Recommendations are made for measures to protect and improve these resources. Direct appropriations for this activity are supplemented by funds of the Migratory bird conservation account (through 1960). In 1960, these supplementary funds totaled \$206 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	8,327	12,298	13,471
Positions other than permanent.....	502	794	1,115
Other personnel compensation.....	92	54	29
Total personnel compensation.....	8,921	13,146	14,615
12 Personnel benefits.....	695	1,026	1,127
21 Travel and transportation of persons.....	647	907	1,147
22 Transportation of things.....	80	102	134
23 Rent, communications, and utilities.....	262	358	449
24 Printing and reproduction.....	37	65	100
25 Other services.....	621	775	1,092
26 Supplies and materials.....	1,858	2,213	2,815
31 Equipment.....	533	608	1,535
32 Lands and structures.....	255	230	360
42 Insurance claims and indemnities.....	1		
Unvouchered.....	5	5	10
Subtotal.....	13,915	19,435	23,384
Deduct quarters and subsistence charges.....	169	182	184
Total obligations.....	13,746	19,253	23,200

Personnel Summary

Total number of permanent positions.....	1,668	2,174	2,315
Full-time equivalent of other positions.....	125	161	257
Average number of all employees.....	1,631	2,229	2,457
Number of employees at end of year.....	1,866	2,365	2,589
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
Average salary of ungraded positions.....	\$4,240	\$4,329	\$4,329

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 [\$4,535,000] \$4,067,000 to remain available until expended.

【For an additional amount for "Construction", \$250,000, to remain available until expended.】 (16 U.S.C. 666, 696-696b, 715k, 760-760-8, 921; 43 U.S.C. 620g; 70 Stat. 668; 72 Stat. 561-562; Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Sportfish facilities.....	1,637	3,483	1,739
2. Wildlife facilities.....	1,485	3,259	2,328
Total obligations.....	3,122	6,742	4,067
Financing:			
Unobligated balance brought forward.....	-1,669	-1,957	
Unobligated balance carried forward.....	1,957		
New obligational authority (appropriation)	3,410	4,785	4,067

1. *Sportfish facilities.*—Projects proposed for 1962 consist of construction of one new hatchery, continued construction of two new fish hatcheries, improvement at an existing hatchery, and repair of earthquake damage at two hatcheries; and rough fish eradication in connection with the Colorado River Storage project.

2. *Wildlife facilities.*—Projects proposed for 1962 consist of construction, development, and improvement at 10 existing national wildlife refuges and advance engineering planning for refuges; construction of facilities necessary for initiation of management of the newly established Izembeck, Kuskokwim and Arctic National Wildlife Ranges in Alaska; construction of a wildlife research laboratory at the Denver Wildlife Research Center and road repairs at the Patuxent Wildlife Research Center; and pumping facilities, land acquisition, and development in connection with the Colorado River Storage project.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF SPORT FISHERIES AND WILDLIFE			
11 Personnel compensation:			
Permanent positions.....	290	339	364
Positions other than permanent.....	224	395	151
Other personnel compensation.....	8	8	1
Total personnel compensation.....	522	742	516
12 Personnel benefits.....	23	35	30
21 Travel and transportation of persons.....	62	74	36
22 Transportation of things.....	8	12	8
23 Rent, communications, and utilities.....	3	9	9
24 Printing and reproduction.....	3	9	3
25 Other services.....	787	1,007	244
26 Supplies and materials.....	262	411	164
31 Equipment.....	74	350	73
32 Lands and structures.....	1,244	4,093	2,984
Total, Bureau of Sport Fisheries and Wildlife.....	2,988	6,742	4,067

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
11 Personnel compensation:			
Permanent positions.....	37		
Other personnel compensation.....	1		
Total personnel compensation.....	38		
12 Personnel benefits.....	3		
23 Rent, communications, and utilities.....	1		
25 Other services.....	7		
32 Lands and structures.....	85		
Total, Corps of Engineers—Civil.....	134		
Total obligations.....	3,122	6,742	4,067

Personnel Summary

BUREAU OF SPORT FISHERIES AND WILDLIFE			
Total number of permanent positions.....	50	55	54
Full-time equivalent of other positions.....	51	87	32
Average number of all employees.....	96	135	83
Number of employees at end of year.....	52	78	65
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
ALLOCATION TO CORPS OF ENGINEERS—CIVIL			
Total number of permanent positions.....	7		
Average number of all employees.....	7		
Number of employees at end of year.....	0		
Average GS grade.....	7.6		
Average GS salary.....	\$6,326		

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Sport Fisheries and Wildlife, including such expenses in the regional offices, **[\$950,000] \$1,071,000.** (16 U.S.C. 742j; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental expense.....	177	241	264
2. Regional office expense.....	453	775	807
Total obligations.....	630	1,016	1,071
Financing:			
Unobligated balance lapsing.....	1		
New obligational authority.....	631	1,016	1,071
New obligational authority:			
Appropriation.....	631	950	1,071
Proposed supplemental due to pay increases.....		66	

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 expense incidental to programs financed by permanent and indefinite appropriations is paid from those appropriations.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	509	803	852
Positions other than permanent.....	8		
Other personnel compensation.....	6	3	
Total personnel compensation.....	523	806	852
12 Personnel benefits.....	49	68	72
21 Travel and transportation of persons.....	23	30	31
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	11	18	18
24 Printing and reproduction.....	3	3	3
25 Other services.....	10	82	82
26 Supplies and materials.....	8	8	8
31 Equipment.....	2		4
Total obligations.....	630	1,016	1,071

Personnel Summary

Total number of permanent positions.....	87	120	130
Full-time equivalent of other positions.....	2		
Average number of all employees.....	85	119	127
Number of employees at end of year.....	84	120	130
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriations as follows:
 "General investigations," Bureau of Reclamation.
 "Construction and rehabilitation," Bureau of Reclamation.
 "General investigations," Corps of Engineers—Civil.
 "Construction, general," Corps of Engineers—Civil.
 "Flood control, Mississippi River and tributaries," Corps of Engineers—Civil.

Permanent authorizations:

EXPENSES FOR SALES, ETC., IN REFUGES, MIGRATORY BIRD CONSERVATION ACT

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Expenses for sales (total obligations).....	72	101	115
Financing:			
Unobligated balance brought forward.....		—4	
Unobligated balance carried forward.....	4		
New obligational authority (appropriation).....	76	97	115

Proceeds from sales of refuge products are used to pay expenses arising from such sales (16 U.S.C. 715s).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	41	63	71
Positions other than permanent.....	13	13	15
Total personnel compensation.....	54	76	86
12 Personnel benefits.....	4	5	6
22 Transportation of things.....	1	1	1

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Permanent authorizations—ContinuedEXPENSES FOR SALES, ETC., IN REFUGES, MIGRATORY BIRD
CONSERVATION ACT—continued

(Indefinite special fund)—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	4	6	6
26 Supplies and materials.....	8	10	11
31 Equipment.....	2	3	5
Subtotal.....	73	101	115
Deduct quarters and subsistence charges.....	1		
Total obligations.....	72	101	115

Personnel Summary

Total number of permanent positions.....	8	12	13
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	11	14	16
Number of employees at end of year.....	9	13	16
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

FEDERAL AID IN FISH RESTORATION AND MANAGEMENT

(Receipt limitation)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to States.....	4,853	5,000	5,550
2. Administration.....	334	408	457
3. Research.....	113	119	53
Total obligations.....	5,300	5,527	6,060
Financing:			
Unobligated balance brought forward.....	-1,643	-1,932	-2,241
Unobligated balance carried forward.....	1,932	2,241	1,781
New obligational authority (appropriation)	5,589	5,836	5,600

Assistance is given the States, Puerto Rico, Guam, and the Virgin Islands by appropriation of funds equal to the revenue of the 10% excise tax on fishing rods, creels, reels, and artificial lures, baits, and flies (16 U.S.C. 777a-k).

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	309	262	256
Positions other than permanent.....	8	3	6
Other personnel compensation.....	2	2	1
Total personnel compensation.....	319	267	263
12 Personnel benefits.....	20	20	20
21 Travel and transportation of persons.....	36	45	55
22 Transportation of things.....	1	2	4
23 Rent, communications, and utilities.....	5	11	11
24 Printing and reproduction.....	4	12	12
25 Other services.....	49	68	74
26 Supplies and materials.....	8	29	30
31 Equipment.....	4	72	40
32 Lands and structures.....	2	1	1
41 Grants, subsidies, and contributions.....	4,853	5,000	5,550
Subtotal.....	5,301	5,527	6,060
Deduct quarters and subsistence charges.....	1		
Total obligations.....	5,300	5,527	6,060

Personnel Summary

Total number of permanent positions.....	52	40	38
Full-time equivalent of other positions.....	1	2	2
Average number of all employees.....	52	41	39
Number of employees at end of year.....	48	41	39
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

FEDERAL AID IN WILDLIFE RESTORATION

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to States.....	14,698	15,000	15,500
2. Administration.....	884	986	999
3. Carrying out Migratory Bird Conservation Act.....	86	73	53
Total obligations.....	15,668	16,059	16,552
Financing:			
Unobligated balance brought forward.....	-4,289	-5,223	-4,754
Unobligated balance carried forward.....	5,223	4,754	3,475
New obligational authority (appropriation)	16,602	15,590	15,273

Assistance is given the States, 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	612	720	732
Positions other than permanent.....	9	18	4
Other personnel compensation.....	10	13	6
Total personnel compensation.....	631	751	742
12 Personnel benefits.....	45	57	55
21 Travel and transportation of persons.....	83	86	89
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	23	13	14
24 Printing and reproduction.....	9	7	8
25 Other services.....	130	100	100
26 Supplies and materials.....	30	26	26
31 Equipment.....	14	14	13
41 Grants, subsidies, and contributions.....	14,698	15,000	15,500
Total obligations.....	15,668	16,059	16,552

Personnel Summary

Total number of permanent positions.....	100	105	105
Full-time equivalent of other positions.....	1	4	1
Average number of all employees.....	100	104	104
Number of employees at end of year.....	85	104	104
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592

MANAGEMENT OF NATIONAL WILDLIFE REFUGES

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Development and maintenance of wildlife refuges.....	1,016	1,155	1,069
2. Enforcement activities.....	376	406	406
Total obligations.....	1,392	1,561	1,475
Financing:			
Unobligated balance brought forward.....	-17	-144	-43
Unobligated balance carried forward.....	144	43	
New obligational authority (appropriation)	1,519	1,460	1,432

Of the net proceeds from the sale of wildlife refuge products 75% is appropriated for management of national wildlife refuges, the remainder being paid to the counties in which the refuges are located (64 Stat. 693-694; 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	487	499	484
Positions other than permanent.....	162	247	231
Other personnel compensation.....	13	3	2
Total personnel compensation.....	662	749	717
12 Personnel benefits.....	36	47	43
21 Travel and transportation of persons.....	71	88	79
22 Transportation of things.....	21	11	13
23 Rent, communications, and utilities.....	91	58	59
24 Printing and reproduction.....	10	4	5
25 Other services.....	80	167	152
26 Supplies and materials.....	312	290	302
31 Equipment.....	87	127	105
32 Lands and structures.....	23	20	
Subtotal.....	1,393	1,561	1,475
Deduct quarters and subsistence charges.....	1		
Total obligations.....	1,392	1,561	1,475

Personnel Summary

Total number of permanent positions.....	82	66	69
Full-time equivalent of other positions.....	41	55	49
Average number of all employees.....	114	124	114
Number of employees at end of year.....	151	150	145
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
Average salary of ungraded positions.....	\$4,240		

MIGRATORY BIRD CONSERVATION ACCOUNT

(Receipt limitation)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts.....	733		
2. Acquisition, development, and maintenance of migratory bird refuges.....	5,752		
3. Printing and sale of hunting stamps.....		118	118
4. Acquisition of refuges and other areas.....		4,496	5,582
Total obligations.....	6,485	4,614	5,700
Financing:			
Unobligated balance brought forward.....	-1,841	-343	-729
Recovery of prior year obligations.....	-150		
Unobligated balance carried forward.....	343	729	29
New obligational authority (appropriation)	4,837	5,000	5,000

Receipts from the sale of Federal hunting stamps are set aside in the migratory bird conservation fund (16 U.S.C. 718).

1. *Enforcement of Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts.*—Of the fund 15% is available for enforcing these acts and to pay the Post Office for supplying and accounting for the stamps through 1960. Funds used for enforcement supplement moneys appropriated to Bureau of Sport Fisheries and Wildlife

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF SPORT FISHERIES AND WILDLIFE—Continued

Permanent authorizations—Continued

MIGRATORY BIRD CONSERVATION ACCOUNT—continued

(Receipt limitation)—Continued

for the same purpose under the appropriation for Management and investigations of resources. This activity was replaced by activity 3 in 1961 as a result of the act of August 1, 1958 (16 U.S.C. 718), which makes receipts from the sale of Federal hunting stamps available exclusively for payment of Post Office expenses and the location and acquisition of refuges and other areas.

2. *Acquisition, development, and maintenance of migratory bird refuges.*—Of the fund 85% is used for acquisition, construction, and management of migratory waterfowl refuges and investigations of migratory birds. These funds supplement moneys appropriated to the Bureau of Sport Fisheries and Wildlife for these purposes. This activity was replaced by activity 4 in 1961 as a result of the act of August 1, 1958 (16 U.S.C. 718).

3. *Printing and sale of hunting stamps.*—The Post Office Department is paid the cost of printing, sale, and accounting for migratory bird hunting stamps.

4. *Acquisition of refuges and other areas.*—Receipts in excess of Post Office Department expenses are available for costs of location and acquisition of migratory bird refuges and waterfowl production areas.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,057	683	727
Positions other than permanent.....	165	24	34
Other personnel compensation.....	57	3	1
Total personnel compensation.....	3,279	710	762
12 Personnel benefits.....	232	54	72
21 Travel and transportation of persons.....	293	88	102
22 Transportation of things.....	30	4	6
23 Rent, communications, and utilities.....	89	10	15
24 Printing and reproduction.....	22	9	12
25 Other services.....	653	245	267
26 Supplies and materials.....	407	11	13
31 Equipment.....	109	13	15
32 Lands and structures.....	1,394	3,470	4,436
Subtotal.....	6,508	4,614	5,700
Deduct quarters and subsistence charges.....	23		
Total obligations.....	6,485	4,614	5,700

Personnel Summary

Total number of permanent positions.....	534	118	126
Full-time equivalent of other positions.....	40	5	7
Average number of all employees.....	561	110	117
Number of employees at end of year.....	642	108	115
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
Average salary of ungraded positions.....	\$4,240		

PAYMENT TO ALASKA, ALASKA GAME LAW

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to Alaska (total obligations) (object class 41).....	17	2	-----
Financing:			
New obligational authority (appropriation).....	17	2	-----

Of the revenue from licenses, permits, forfeitures, etc., under the Alaska game law, 50% is remitted to Alaska for covering into the school fund (48 U.S.C. 199k). This activity was discontinued when the State of Alaska took responsibility for fish and game functions effective January 1, 1960, under the Alaska Statehood Act. Remittances will continue to be received for distribution as a result of cases still pending involving prosecution of Alaska law violators apprehended prior to January 1, 1960.

PAYMENTS DUE COUNTIES, SUBMARGINAL LAND PROGRAM, FARM TENANT ACT

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments to counties (total obligations) (object class 41).....		6	4
Financing:			
New obligational authority (appropriation).....		6	4

Of the net revenue received from the use of submarginal lands under control of the Secretary of the Interior, 25% is paid to the counties in which such lands are situated for the benefit of schools and roads (7 U.S.C. 1011 and 1012).

PAYMENTS TO COUNTIES FROM RECEIPTS UNDER MIGRATORY BIRD CONSERVATION ACT

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments to counties (total obligations) (object class 41).....	506	487	477
Financing:			
New obligational authority (appropriation).....	506	487	477

Of the net proceeds from sales of refuge products 25% is paid to counties in which the refuges are located for the benefit of public schools and roads (16 U.S.C. 715s).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Replacement of personal property sold.....	106	125	200
2. Miscellaneous services to other accounts.....	1,562	2,263	1,992
Total obligations.....	1,668	2,388	2,192
Financing:			
Unobligated balance brought forward.....	22	17	
Advances and reimbursements from—			
Other accounts.....	1,024	1,371	1,192
Non-Federal sources.....	639	1,000	1,000
Unobligated balance carried forward.....	-17		
Total financing.....	1,668	2,388	2,192

Note.—Reimbursements from non-Federal sources above are from the proceeds of sale of personal property (40 U.S.C. 481(c)); to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in controlling losses of wildlife, in minimizing damages from overabundant species, including acceptance of funds in furtherance of the purposes of the Act of Aug. 12, 1958 (72 Stat. 563-564); and from payments from former owners of certain specified land areas in the Parker River National Wildlife Refuge that were reconveyed under the Act of June 3, 1948 (62 Stat. 293).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	867	1,101	1,096
Positions other than permanent.....	16	246	253
Other personnel compensation.....	10	14	11
Total personnel compensation.....	893	1,361	1,360
12 Personnel benefits.....	34	49	51
21 Travel and transportation of persons.....	199	243	242
22 Transportation of things.....	9	13	14
23 Rent, communications, and utilities.....	24	44	45
24 Printing and reproduction.....	4	5	5
25 Other services.....	64	210	83
26 Supplies and materials.....	242	262	257
31 Equipment.....	158	208	142
32 Lands and structures.....	50	2	2
Subtotal.....	1,677	2,397	2,201
Deduct quarters and subsistence charges.....	9	9	9
Total obligations.....	1,668	2,388	2,192

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	214	254	252
Full-time equivalent of other positions.....	5	58	59
Average number of all employees.....	210	296	296
Number of employees at end of year.....	220	316	316
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
Average salary of ungraded positions.....	\$4,240	\$4,329	\$4,329

Proposed for later transmission:

MANAGEMENT AND INVESTIGATIONS OF RESOURCES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration of wildlife resources (total obligations).....		55	
Financing:			
New obligational authority (proposed supplemental appropriation).....		55	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$55 thousand is anticipated for unusual costs of fire suppression and repair of fire damage on national wildlife refuges and replacement of law enforcement equipment damaged beyond repair by Hurricane Donna in September 1960.

CONSTRUCTION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Wildlife facilities (total obligations).....		214	
Financing:			
New obligational authority (proposed supplemental appropriation).....		214	

Under existing legislation, 1961.—A supplemental appropriation for 1961 in the amount of \$214 thousand is anticipated for costs of recovering from damage to 15 national wildlife refuges caused by Hurricanes Donna and Ethel in September 1960.

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; **[\$6,591,000]** \$9,296,000: *Provided, That the unexpended balances available for the Lower Columbia River fish sanctuary program under appropriations heretofore granted for Civil Functions, Department of the Army, under the head "Operation and maintenance, general", shall be merged with this appropriation.*

For an additional amount for "Management and investigations of resources", \$100,000. (5 U.S.C. 133t; 15 U.S.C. 521-522; 16 U.S.C. 661-666c, 744-752, 755-759, 760a-760g, 772-772i, 776-776f, 781-785, 916-916l, 921, 931-939c, 951-961, 981-991, 1021-1032; 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. 8, 1956, 70

FISH AND WILDLIFE SERVICE—Continued**BUREAU OF COMMERCIAL FISHERIES—Continued****Current authorizations—Continued****MANAGEMENT AND INVESTIGATIONS OF RESOURCES—continued**

Stat. 1119; Act of Aug. 1, 1958, 72 Stat. 479; Act of Aug. 12, 1958, 72 Stat. 563; Acts of Sept. 2, 1958, 72 Stat. 1710; Act of Sept. 16, 1959, 73 Stat. 563; Act of July 5, 1960, 74 Stat. 314; Department of the Interior and Related Agencies Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$1,915 thousand for activities carried under "operation and maintenance, general," Corps of Engineers—Civil, Department of the Army. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Management.....	318	369	373
2. Marketing and technology.....	1,921	2,404	2,455
3. Research.....	3,374	3,799	3,974
4. Research on fish migration over dams.....	291	303	527
5. Administration of Alaska fisheries.....	749	51	52
6. Fishing vessel mortgage insurance.....	14	2,004	1,915
7. Columbia River fishery facilities.....	1,518		
Total obligations.....	8,185	8,930	9,296
Financing:			
Comparative transfers from (—) other accounts.....	-1,484	-2,004	
Unobligated balance lapsing.....	42		
New obligational authority.....	6,743	6,926	9,296
New obligational authority:			
Appropriation:			
Definite.....	6,345	6,691	9,296
Indefinite special fund.....	398		
Proposed supplemental due to pay increases.....		235	

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 1960 these supplementary funds totaled \$1,981 thousand. It is estimated they will amount to \$1,930 thousand in 1961 and in 1962.

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 1960 these supplementary funds totaled

\$2,715 thousand. It is estimated they will amount to \$2,815 thousand in 1961 and \$3,066 thousand in 1962.

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.

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.

7. *Columbia River fishery facilities*.—This activity, which reflects the recurring costs of operation, maintenance and alteration of hatcheries under the Columbia River fishery development program, has heretofore been financed by funds transferred from the Corps of Engineers.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,738	4,160	4,422
Positions other than permanent.....	425	192	210
Other personnel compensation.....	173	137	129
Total personnel compensation.....	4,336	4,489	4,761
12 Personnel benefits:			
Travel and transportation of persons.....	265	326	348
Transportation of things.....	301	316	322
Rent, communications, and utilities.....	34	32	39
Printing and reproduction.....	253	281	311
Other services.....	71	116	116
Supplies and materials.....	2,241	2,808	2,803
Equipment.....	497	377	373
Refunds.....	190	188	226
Refunds.....	1		
Subtotal.....	8,189	8,933	9,299
Deduct quarters and subsistence charges.....	4	3	3
Total obligations.....	8,185	8,930	9,296

Personnel Summary

Total number of permanent positions.....	678	662	684
Full-time equivalent of other positions.....	113	43	44
Average number of all employees.....	729	669	694
Number of employees at end of year.....	729	800	826
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720
Average salary of ungraded positions.....	\$3,854	\$4,005	\$4,180

MANAGEMENT AND INVESTIGATIONS OF RESOURCES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(k) of that Act, \$1,000,000, which shall be available to purchase only those currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Marketing and technology.....			350
2. Research.....			650
Total obligations.....			1,000
Financing:			
New obligational authority (appropriation).....			1,000

Activities in foreign countries under this appropriation complement domestic programs financed by the regular appropriation for Management and investigations of resources.

1. *Marketing and technology.*—These funds are to finance technological research involving protein, nutritional, and fish preservation studies.

2. *Research.*—These funds are to finance biological research 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 these resources, and (c) to improve cultivation of fishery resources.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....			52
25 Other services.....			948
Total obligations.....			1,000

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, **[\$2,400,000] \$7,561,000**, to remain available until expended: *Provided, That the unexpended balances available for the Lower Columbia River fish sanctuary program under appropriations heretofore granted for Civil Functions, Department of the Army, under the head "Construction, general", shall be merged with this appropriation. (5 U.S.C. 133t; 16 U.S.C. 661-666c, 755-757; 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, 1961.)*

Note.—Estimate for 1962 includes \$1,431 thousand for activities previously carried under "Construction, general," Corps of Engineers—Civil, Department of the Army. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Fishery facilities.....	446	2,645	6,130
2. Columbia River fishery facilities.....	1,048	1,997	1,431
Total obligations.....	1,494	4,642	7,561
Financing:			
Comparative transfers from (—) other accounts.....	—1,048	—1,997	
Unobligated balance brought forward.....	—292	—245	
Unobligated balance carried forward.....	245		
New obligational authority (appropriation)	400	2,400	7,561

1. *Fishery facilities.*—Projects proposed for 1962 are construction of an oceanographic research vessel for the Central Pacific Ocean; construction of a vessel as a replacement of the MV *Delaware*; construction of a research vessel for work in the Gulf of Mexico-Galveston laboratory; construction of a biological research laboratory at La Jolla, Calif.; construction of salt water ponds, sea water system, boat basin and service building at the Oxford, Md., laboratory; construction of a shop-garage building, and construction and installation of temperature control apparatus at the Boothbay Harbor, Maine

laboratory; and construction of salt water system and dock facilities at the Auke Bay, Alaska, biological laboratory.

2. *Columbia River fishery facilities.*—Program provides for continuation of the construction work in Oregon, Washington, and Idaho of fish screens on water use diversions, primarily those for irrigation; the construction of fish ladders at natural barriers to migration of salmon and steelhead, and the clearance of obstructions from streams. This activity has heretofore been financed by funds transferred from the Corps of Engineers.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	57	60	54
Positions other than permanent.....	2		
Other personnel compensation.....	1		
Total personnel compensation.....	60	60	54
12 Personnel benefits.....	4	4	4
21 Travel and transportation of persons.....	4	17	10
22 Transportation of things.....	2	4	
23 Rent, communications, and utilities.....	1	1	
25 Other services.....	1,189	2,181	1,608
26 Supplies and materials.....	13	15	10
31 Equipment.....	1	2,144	3,140
32 Lands and structures.....	220	216	2,735
Total obligations.....	1,494	4,642	7,561

Personnel Summary

Total number of permanent positions.....	3	13	12
Average number of all employees.....	7	7	6
Number of employees at end of year.....	3	13	12
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720

GENERAL ADMINISTRATIVE EXPENSES

For expenses necessary for general administration of the Bureau of Commercial Fisheries, including such expenses in the regional offices, **[\$361,000] \$482,000.** (5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$65 thousand for activities previously carried under "Operation and maintenance, general," Corps of Engineers—Civil, and \$25 thousand for activities previously carried under "Construction, general," Corps of Engineers—Civil. The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental expenses.....	188	202	202
2. Regional office expenses.....	264	280	280
Total obligations.....	452	482	482
Financing:			
Comparative transfers from other accounts (—).....	—128	—97	
Unobligated balance lapsing.....	1		
New obligational authority.....	325	385	482
New obligational authority:			
Appropriation.....	325	361	482
Proposed supplemental due to pay increases.....		24	

FISH AND WILDLIFE SERVICE—Continued**BUREAU OF COMMERCIAL FISHERIES—Continued****Current authorizations—Continued****GENERAL ADMINISTRATIVE EXPENSES—continued**

1. *Departmental expenses.*—These expenses are for general administration at the Bureau headquarters, Washington, D.C.

2. *Regional office expenses.*—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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	334	385	388
Other personnel compensation.....	17	19 $\frac{1}{2}$	19
Total personnel compensation.....	351	404 $\frac{1}{2}$	407
12 Personnel benefits.....	23	28 $\frac{1}{2}$	28
21 Travel and transportation of persons.....	22	18 $\frac{1}{2}$	18
22 Transportation of things.....	2		
23 Rent, communications, and utilities.....	16	5	6
24 Printing and reproduction.....	1	1	1
25 Other services.....	31	23	18
26 Supplies and materials.....	6	3	4
Total obligations.....	452	482	482

Personnel Summary

Total number of permanent positions.....	46	48	47
Average number of all employees.....	44	46	46
Number of employees at end of year.....	46	48	47
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720

ADMINISTRATION OF PRIBILOF ISLANDS**(Indefinite special fund)**

For carrying out the provisions of the Act of February 26, 1944, as amended (16 U.S.C. 631a-631q), there are appropriated amounts not to exceed **[\$2,070,000] \$1,981,000**, to be derived from Pribilof Islands fund. (5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Act of July 7, 1958, 72 Stat. 339; Act of June 25, 1959, 73 Stat. 141; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration of Pribilof Islands (total obligations).....	1,740	2,099	1,981
Financing:			
Unobligated balance brought forward.....	-198		
Unobligated balance lapsing:			
General fund.....	179		
Special fund.....	220		
New obligational authority.....	1,940	2,099	1,981
New obligational authority:			
Appropriation.....	1,940	2,070	1,981
Proposed supplemental due to pay increases.....		29	

Administration of Pribilof Islands.—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 byproducts plant for utilizing fur-seal carcasses; (d) maintenance of buildings and roads; and (e) maintenance and operation of a supply vessel.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	696	807	827
Positions other than permanent.....	144	125	126
Other personnel compensation.....	98	34	33
Total personnel compensation.....	938	966	986
12 Personnel benefits.....	51	69	70
21 Travel and transportation of persons.....	29	20	25
22 Transportation of things.....	40	20	21
23 Rent, communications, and utilities.....	10	13	12
24 Printing and reproduction.....		2	2
25 Other services.....	496	416	429
26 Supplies and materials.....	312	430	527
31 Equipment.....	21	308	64
32 Lands and structures.....		10	
Subtotal.....	1,897	2,254	2,136
Deduct quarters and subsistence charges.....	157	155	155
Total obligations.....	1,740	2,099	1,981

Personnel Summary

Total number of permanent positions.....	230	227	232
Full-time equivalent of other positions.....	46	41	41
Average number of all employees.....	253	267	272
Number of employees at end of year.....	348	350	355
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720
Average salary of ungraded positions.....	\$3,854	\$4,005	\$4,180

CONSTRUCTION OF FISHING VESSELS

For expenses necessary to carry out the provisions of the Act of June 12, 1960, Public Law 86-516, to assist in the construction of fishing vessels, **[\$750,000] \$1,000,000**. (5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Subsidy payments.....		670	900
2. Administrative expenses.....		80	100
Total obligations.....		750	1,000
Financing:			
New obligational authority (appropriation).....		750	1,000

1. *Subsidy payments.*—This activity covers the payment of subsidies for the construction of fishing vessels in U.S. shipyards under the provisions of the Act of June 12, 1960 (74 Stat. 212).

2. *Administrative expenses.*—Covers administrative services including determination of applicable cost differentials, rendered by the Maritime Administration on a re-

imbursable basis and Bureau costs in administering the construction of fishing vessels program.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....		20	20
12 Personnel benefits.....		1	1
21 Travel and transportation of persons.....		2	4
23 Rent, communications, and utilities.....		1	1
25 Other services.....		4	8
Services of other agencies.....		50	65
26 Supplies and materials.....		1	1
31 Equipment.....		1	1
41 Grants, subsidies, and contributions.....		670	900
Total obligations.....		750	1,000

Personnel Summary

Total number of permanent positions.....	3	3
Average number of all employees.....	3	3
Number of employees at end of year.....	3	3
Average GS grade.....	8.0	8.0
Average GS salary.....	\$6,695	\$6,720

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriation, "Passamaquoddy tidal power survey," Department of State.

Permanent authorizations:

PROMOTE AND DEVELOP FISHERY PRODUCTS AND RESEARCH PERTAINING TO AMERICAN FISHERIES
(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Marketing and technology.....	1,981	1,930	1,930
2. Research.....	2,715	2,815	3,066
3. General administrative services.....	314	346	365
Total obligations.....	5,010	5,091	5,361
Financing:			
Unobligated balance brought forward.....	-151	-135	-365
Unobligated balance carried forward.....	135	365	4
New obligational authority.....	4,994	5,321	5,000
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)....	4,994	5,321	5,000
Appropriation (adjusted).....	4,994	5,321	5,000

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,408	2,798	2,971
Positions other than permanent.....	234	143	145
Other personnel compensation.....	92	77	69
Total personnel compensation.....	2,734	3,018	3,185
12 Personnel benefits.....	166	218	229
21 Travel and transportation of persons.....	215	242	256
22 Transportation of things.....	33	32	34
23 Rent, communications, and utilities.....	131	137	152
24 Printing and reproduction.....	91	78	86
25 Other services.....	1,151	1,114	1,161
26 Supplies and materials.....	352	167	173
31 Equipment.....	138	86	86
Subtotal.....	5,011	5,092	5,362
Deduct quarters and subsistence charges.....	1	1	1
Total obligations.....	5,010	5,091	5,361

Personnel Summary

Total number of permanent positions.....	444	434	458
Full-time equivalent of other positions.....	55	34	34
Average number of all employees.....	470	465	484
Number of employees at end of year.....	504	555	575
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720
Average salary of ungraded positions.....	\$3,854	\$4,005	\$4,180

PRIBILOF ISLANDS FUND

(Indefinite special fund)

Amounts Available for Appropriation (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward.....	1 3,384	3,399	3,119
Returned to unappropriated receipts.....	220		
Receipts.....	3,215	2,869	2,869
Total available for appropriation.....	6,819	6,268	5,988
Deduct appropriation for—			
"Administration of Pribilof Islands".....	1,940	2,099	1,981
"Payment to Alaska from Pribilof Islands receipts".....	814	1,050	539
"Management and investigations of resources," Bureau of Sport Fisheries and Wildlife.....	268		
"Management and investigations of resources," Bureau of Commercial Fisheries.....	398		
Unappropriated balance carried forward.....	3,399	3,119	3,468

¹ Includes \$500 thousand of June 7, 1958, sales deposited in 1959 and not available for payment to the State of Alaska.

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 as required by law (72 Stat. 339).

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Permanent authorizations—Continued

PAYMENT TO ALASKA FROM PRIBILOF ISLANDS RECEIPTS

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to Alaska (total obligations) (object class 41).....	814	1,050	539
Financing:			
New obligational authority (appropriation).....	814	1,050	539

This appropriation provides for payment to the State of Alaska of 70% of the net proceeds from sales of fur seal-skins and other wildlife products of the Pribilof Islands pursuant to the Alaska Statehood Act (72 Stat. 339).

Public enterprise funds:

FEDERAL SHIP MORTGAGE INSURANCE FOR FISHING VESSELS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Amounts becoming available: Premiums and inspection fees.....		35	72
Unobligated balance brought forward.....			35
Total amounts available.....		35	107
Unobligated balance carried forward.....		-35	-107
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; 70 Stat. 1119; 23 F.R. 2304.) Additional funding, if required, will be provided pursuant to authority vested in the Secretary by the Act of July 5, 1960 (74 Stat. 314).

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Premium and inspection fees.....		35	72
Budget expenditures.....		-35	-72

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue (net operating income).....		35	72
Retained earnings, beginning of year.....			35
Retained earnings, end of year.....		35	107

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....		35	107
Government investment:			
Retained earnings.....		35	107

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....			35	107

Note.—Contingent liability for insurance in force: June 30, 1961, \$1 million; 1962, \$3 million.

FISHERIES LOAN FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Fisheries loan commitments.....	1,545	2,255	2,255
Administrative expense.....	208	250	250
Total obligations.....	1,753	2,505	2,505
Financing:			
Amounts becoming available:			
Appropriation.....	3,000		
Collection of loans.....	848	850	900
Interest on loans.....	221	225	250
Payments on judgments receivable.....		40	25
Sale of vessel acquired in foreclosure.....		5	
Total amounts becoming available.....	4,069	1,120	1,175
Unobligated balance brought forward.....	4,252	6,568	5,183
Total amounts available.....	8,321	7,688	6,358
Unobligated balance carried forward.....	-6,568	-5,183	-3,853
Financing applied to program.....	1,753	2,505	2,505

This fund is used for making loans to segments of the fishing industry unable to obtain commercial loans on reasonable terms for financing and refinancing operations, maintenance, replacement, repair, and equipment of fishing gear and vessels, and for research into basic problems of fisheries. 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 this program can be carried through 1962 without additional financing. As of August 31, 1960, a total of 795 applications amounting to \$24.6 million had been received. Of these 432 loans totaling \$10.5 million had been approved and 208 applications amounting to \$6.1 million had been declined.

Administrative expenses.—These expenses include processing of loan applications, closing of loans, and collection of repayment and interest.

Financing.—An appropriation of \$10 million was made in 1957 to provide initial capital for the fund. An ad-

ditional \$3 million was appropriated for 1960. Additional financing is provided from repayments and interest on outstanding loans.

Operating results.—The existing deficit is expected to be eliminated by future interest earnings.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loans made.....	1,456	2,300	2,300
Administrative expenses.....	208	250	250
Increase in selected working capital.....	31	3	-----
Total gross expenditures.....	1,695	2,553	2,550
Receipts from operations (funds provided):			
Loan repayments.....	848	850	900
Interest on loans.....	221	225	250
Payments on judgments receivable.....	-----	40	25
Sale of vessel acquired in foreclosure.....	-----	5	-----
Total receipts from operations.....	1,069	1,120	1,175
Budget expenditures.....	626	1,433	1,375

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	221	225	250
Expense.....	234	270	270
Net operating loss (—).....	—13	—45	—20
Deficit (—), beginning of year.....	—235	—248	—293
Deficit (—), end of year.....	—248	—293	—313

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	7,520	6,087	4,712
Accounts receivable, net.....	97	100	100
Advances.....	1	-----	-----
Loans receivable.....	5,080	6,510	7,890
Judgments receivable.....	65	25	-----
Vessel acquired in foreclosure.....	5	-----	-----
Total assets.....	12,768	12,722	12,702
Liabilities:			
Current.....	16	15	15
Government investment:			
Non-interest-bearing capital:			
Start of year.....	10,000	13,000	13,000
Appropriation.....	3,000	-----	-----
End of year.....	13,000	13,000	13,000
Deficit (—).....	—248	—293	—313
Total Government investment.....	12,752	12,707	12,687

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury..	5,146	7,520	6,087	4,712
Obligated balance, net:				
Current liabilities.....	20	16	15	15
Undisbursed loan obligations.....	944	1,033	989	944
Accounts receivable, net (—).....	—70	—97	—100	—100
Total obligated balance.....	894	952	904	859
Unobligated balance.....	4,252	6,568	5,183	3,853

LIMITATION ON ADMINISTRATIVE EXPENSES, FISHERIES LOAN FUND

During the current fiscal year not to exceed \$250,000 of the Fisheries loan fund shall be available for administrative expenses. (5 U.S.C. 133t; Act of Aug. 8, 1956, 70 Stat. 1119; Act of Sept. 2, 1958, 72 Stat. 1710; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administrative expenses (total costs—obligations).....	208	250	250
Financing:			
Unobligated balance lapsing.....	42	-----	-----
Limitation.....	250	250	250

Object Classification (in thousands of dollars)

BUREAU OF COMMERCIAL FISHERIES			
11 Personnel compensation:			
Permanent positions.....	90	100	173
Other personnel compensation.....	2	1	1
Total personnel compensation.....	92	101	174
12 Personnel benefits.....	6	8	14
21 Travel and transportation of persons.....	10	18	27
23 Rent, communications, and utilities.....	6	6	7
24 Printing and reproduction.....	-----	1	1
25 Other services.....	12	10	18
26 Supplies and materials.....	2	4	7
31 Equipment.....	1	2	2
Total, Bureau of Commercial Fisheries.....	129	150	250
ALLOCATION TO SMALL BUSINESS ADMINISTRATION			
11 Personnel compensation: Permanent positions.....	67	73	-----
12 Personnel benefits.....	5	6	-----
21 Travel and transportation of persons.....	3	9	-----
23 Rent, communications, and utilities.....	-----	1	-----
25 Other services.....	4	8	-----
26 Supplies and materials.....	-----	3	-----
Total, Small Business Administration.....	79	100	-----
Total obligations.....	208	250	250

Personnel Summary

BUREAU OF COMMERCIAL FISHERIES			
Total number of permanent positions.....	14	12	22
Average number of all employees.....	13	12	22
Number of employees at end of year.....	12	12	22
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720
ALLOCATION TO SMALL BUSINESS ADMINISTRATION			
Total number of permanent positions.....	12	12	-----
Average number of all employees.....	10	10	-----
Number of employees at end of year.....	10	10	-----
Average GS grade.....	7.1	7.1	-----
Average GS salary.....	\$6,120	\$6,602	-----

FISH AND WILDLIFE SERVICE—Continued

BUREAU OF COMMERCIAL FISHERIES—Continued

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Replacement of personal property sold.....	5	7	7
2. Miscellaneous services to other accounts.....	629	783	676
Total obligations.....	634	790	683
Financing:			
Advances and reimbursements from—			
Other accounts.....	629	783	676
Non-Federal sources (40 U.S.C. 481(c)).....	5	7	7
Total financing.....	634	790	683

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	317	352	360
Positions other than permanent.....	37	44	44
Other personnel compensation.....	14	16	16
Total personnel compensation.....	368	412	420
12 Personnel benefits.....	21	29	29
21 Travel and transportation of persons.....	36	70	69
22 Transportation of things.....	1	4	6
23 Rent, communications, and utilities.....	7	4	7
24 Printing and reproduction.....	1	9	9
25 Other services.....	146	209	87
26 Supplies and materials.....	32	46	48
31 Equipment.....	22	7	8
Total obligations.....	634	790	683

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	55	54	54
Full-time equivalent of other positions.....	8	12	12
Average number of all employees.....	60	67	66
Number of employees at end of year.....	30	90	90
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720
Average salary of ungraded positions.....	\$3,854	\$4,005	\$4,180

ADMINISTRATIVE PROVISIONS

Appropriations and funds available to the Fish and Wildlife Service shall be available for purchase of not to exceed one hundred and [one] seventy-four passenger motor vehicles of which [eighty-nine] one hundred and fifty-three shall be for replacement only (including ninety-one for police-type use which may exceed by \$300 each the general purchase price limitation for the current fiscal year); purchase of not to exceed [three] nine aircraft for replacement only; not to exceed \$30,000 for payment, in the discretion of the Secretary, for information or evidence concerning violations of laws administered by the Fish and Wildlife Service; publication and distribution of bulletins as authorized by law (7 U.S.C. 417); rations or commutation of rations for officers and crews of vessels at rates not to exceed \$3 per man per day; repair of damage to public roads within and adjacent to reservation areas caused by operations of the Fish and Wildlife Service; options for the purchase of land at not to exceed \$1 for each option; facilities incident to such public recreational uses on conservation areas as are not inconsistent with their primary purposes; and the maintenance and improvement of aquaria, buildings, and other facilities under the jurisdiction of the Fish and Wildlife Service and to which the United States has title, and which are utilized pursuant to law in connection with management and investigation of fish and wildlife resources. (Department of the Interior and Related Agencies Appropriation Act, 1961.)

OFFICE OF TERRITORIES

The Office promotes economic and political development in territorial and 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 of the Virgin Islands, Guam, and American Samoa in Washington; supervises the 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 Guam and American Samoa, as authorized by law (48 U.S.C., secs. 1422, 1431a(c)); 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); purchase of two passenger motor vehicles; compensation and mileage of members of the legislatures in Guam, American Samoa, and the Virgin Islands as authorized by law (48 U.S.C. secs. 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 Guam and American Samoa; [\$2,810,000] \$6,399,000: Provided, That the Territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: Provided further, That appropriations available for the administration of Territories may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary. (Executive Orders 6726, 10077, 10137; 48 U.S.C. 1391, 1421-1426b; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Territory of Hawaii:			
(a) Governor's office.....	13		
2. Virgin Islands:			
(a) Governor's office.....	75	76	85
(b) Legislative expense.....	11	13	13
(c) Comptroller's office.....	148	186	227
3. Guam:			
(a) Governor's office.....	85	104	104
(b) Legislative expense.....	12	23	23
4. American Samoa:			
(a) Governor's office.....	70	88	94
(b) Legislative expense.....	26	28	20
(c) Chief justice and high court.....	35	45	45
(d) Grants.....	1,729	2,022	5,512
5. Canton Island administration.....	13	16	21
6. General administration.....	264	255	255
Total obligations.....	2,481	2,856	6,399
Financing:			
Unobligated balance lapsing.....	125		
New obligational authority.....	2,606	2,856	6,399
New obligational authority:			
Appropriation.....	2,606	2,810	6,399
Proposed supplemental due to pay increases.....		46	

Provision is made for the expense of the Office of Territories, and for support of the governments of the Virgin Islands, Guam, and 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 (in thousands of dollars):

Function:	1960 actual	1961 estimate	1962 estimate
1. Health, education, and welfare.....	942	985	1,116
2. Economic and industrial development.....	76	93	132
3. Operation and maintenance.....	571	575	606
4. General administration.....	302	377	778
5. Construction.....	580	842	3,980
Total cost of government.....	2,471	2,872	6,612
Deduct local revenue applied.....	742	850	1,100
Total grants.....	1,729	2,022	5,512

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	488	548	577
Positions other than permanent.....	7	11	20
Other personnel compensation.....	90	105	101
Total personnel compensation.....	585	664	698
12 Personnel benefits.....	32	42	49
21 Travel and transportation of persons.....	49	68	68
22 Transportation of things.....	2	10	9
23 Rent, communications, and utilities.....	20	17	18
24 Printing and reproduction.....	9	6	7
25 Other services.....	13	12	14
26 Supplies and materials.....	16	11	14
31 Equipment.....	26	4	10
41 Grants, subsidies, and contributions.....	1,729	2,022	5,512
Total obligations.....	2,481	2,856	6,399

Personnel Summary

Total number of permanent positions.....	89	79	83
Full-time equivalent of other positions.....	8	8	15
Average number of all employees.....	76	82	92
Number of employees at end of year.....	69	77	96
Average GS grade.....	8.1	7.8	7.9
Average GS salary.....	\$6,803	\$7,111	\$7,095
Average 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	\$12,500	\$12,500
Average salary of ungraded positions.....	\$3,120	\$3,120	\$3,120

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; **[\$5,225,000] \$6,104,000**. *Provided*, That the revolving fund for loans to locally owned private trading enterprises shall continue to be available during the fiscal year **[1961] 1962**: *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).

[For an additional amount for "Trust Territory of the Pacific Islands", \$400,000.] (*Executive Orders 10265, 10408; Department of the Interior and Related Agencies Appropriation Act, 1961; Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. High commissioner's office.....	60	71	71
2. Judiciary.....	69	70	86
3. Grants.....	5,090	5,560	5,947
Total program costs.....	5,219	5,701	6,104
4. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	2		
Total obligations.....	5,221	5,701	6,104
Financing:			
Unobligated balance lapsing.....	4		
New obligational authority.....	5,225	5,701	6,104
New obligational authority:			
Appropriation.....	5,225	5,625	6,104
Proposed supplemental due to pay increases.....		76	

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 75 thousand. 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 revenue 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 (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
(a) Health, education, and other services.....	1,614	1,960	1,831
(b) Operation and maintenance.....	1,366	1,414	1,175
(c) Transportation services.....	1,550	1,277	1,500
(d) General administration.....	1,380	1,134	1,491
(e) Construction.....	713	1,175	1,350
Total.....	6,623	6,960	7,347
Deduct local revenue and carryover applied.....	1,533	1,400	1,400
Total grants.....	5,090	5,560	5,947

OFFICE OF TERRITORIES—Continued

Current authorizations—Continued

TRUST TERRITORY OF THE PACIFIC ISLANDS—Continued

(a) *Health, education, and other services.*—The government of the territory operates 6 hospitals. There are 157 public elementary and 6 intermediate schools as well as a small central high school at Ponape. Total public school enrollment for 1960 was approximately 9,000.

(b) *Operation and Maintenance.*—The physical plant of the government, such as powerplants, docks, warehouses, quarters, trucks, and other equipment, requires abnormally costly maintenance due to the tropical climate.

(c) *Transportation Services.*—A fleet of vessels, consisting of one 4,000-ton vessel for service between districts and six smaller vessels for use within districts, is operated under contract by a private concern to provide for the transportation of supplies, copra, trade goods, and passengers throughout the territory. 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. A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

(e) *Construction.*—An extended program was started in fiscal year 1955 for construction of facilities to replace the temporary, advanced-base-type plant installed by the Navy during and immediately following World War II.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$8 thousand; 1959 (adjusted), \$4 thousand; 1960, \$6 thousand; 1961, \$6 thousand; 1962, \$6 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,487	1,579	1,483
Positions other than permanent.....	14	15	15
Other personnel compensation.....	272	282	312
Total personnel compensation.....	1,773	1,876	1,810
Deduct amount for Federal employees paid from grant to Trust Territory.....	1,664	1,755	1,681
Net personnel compensation.....	109	121	129
12 Personnel benefits.....	4	6	6
21 Travel and transportation of persons.....	15	10	18
22 Transportation of things.....	1	1	1
26 Supplies and materials.....	2	3	3
41 Grants, subsidies, and contributions.....	5,090	5,560	5,947
Total obligations.....	5,221	5,701	6,104

Personnel Summary

Total number of permanent positions.....	271	270	260
Full-time equivalent of other positions.....	6	7	7
Average number of all employees.....	244	254	247
Number of employees at end of year.....	236	245	240
Average GS grade.....	8.3	8.3	8.3
Average GS salary.....	\$6,383	\$6,493	\$6,659
Average salary of ungraded positions.....	\$5,835	\$6,086	\$4,850

ALASKA PUBLIC WORKS

Not to exceed **[\$300,000]** \$108,000 of appropriations heretofore granted under this head shall be available during the current fiscal year for administrative expenses necessary for liquidation of the

public works program carried out under the Act of August 24, 1949, as amended (48 U.S.C. 486-486j). (*Department of the Interior and Related Agencies Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations).....	327	300	108
Financing:			
Unobligated balance lapsing.....	23		
New obligational authority (reappropriation).....	350	300	108

Congress authorized \$70 million for a 9-year program of public works for the development of Alaska of which not less than half is to be recovered from the government of Alaska and other public bodies upon whose applications projects have been constructed. The authorization expired June 30, 1959, and activity is now confined to completion of projects underway at that time. It is anticipated that the program will be completed in 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	217	171	66
Positions other than permanent.....		15	1
Other personnel compensation.....	45	46	12
Total personnel compensation.....	262	232	79
12 Personnel benefits.....	14	10	5
21 Travel and transportation of persons.....	18	19	9
22 Transportation of things.....	10	15	10
23 Rent, communications, and utilities.....	15	13	5
24 Printing and reproduction.....	1	1	
25 Other services.....	6	7	
26 Supplies and materials.....	1	3	
Total obligations.....	327	300	108

Personnel Summary

Total number of permanent positions.....	44	19	13
Full-time equivalent of other positions.....		2	
Average number of all employees.....	29	21	9
Number of employees at end of year.....	16	19	
Average GS grade.....	9.0	9.7	9.2
Average GS salary.....	\$7,453	\$8,980	\$7,715

VIRGIN ISLANDS PUBLIC WORKS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-294	-302	-302
Recovery of prior obligations.....	-8		
Unobligated balance carried forward.....	302	302	302
New obligational authority (appropriation).....			

This program is in the process of liquidation. Public works projects in the Virgin Islands are now carried out by

the Virgin Islands Government under the provisions of the Revised Organic Act (48 U.S.C. 1541, 1952 ed. supp. IV).

Permanent authorizations:

INTERNAL REVENUE COLLECTIONS FOR VIRGIN ISLANDS

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments to the Virgin Islands (total cost—obligations) (object class 41).....	4,918	6,500	5,000
Financing:			
New obligational authority (appropriation)....	4,918	6,500	5,000

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 (26 U.S.C. 7652(b)(3)).

Public enterprise funds:

LOANS TO PRIVATE TRADING ENTERPRISES, TRUST TERRITORY OF THE PACIFIC ISLANDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loan program (total costs—obligations) (object class 33).....	15	100	100
Financing:			
Amounts becoming available: Revenue and receipts:			
Collection on loans.....	85	120	120
Interest on loans.....	6	10	10
Total amounts becoming available.....	91	130	130
Unobligated balance brought forward.....	96	172	202
Total amounts available.....	187	302	332
Unobligated balance carried forward.....	-172	-202	-232
Financing applied to program.....	15	100	100

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 thousand of the proceeds from liquidation of the Island Trading Company of Micronesia for establishment of this fund. This amount was later reduced to \$300 thousand and \$200 thousand no longer required was returned to Treasury. The availability has been continued since 1956, and it is proposed to extend it again for 1962.

Interest charged is 4% per annum on the unpaid balance.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loans to private trading enterprises.....	15	100	100
Receipts from operations (funds provided):			
Loan program:			
Collection of loans.....	85	120	120
Revenue.....	6	10	10
Total receipts from operations.....	91	130	130
Budget expenditures	-76	-30	-30

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue (net income for the year).....	6	10	10
Retained earnings, beginning of year.....	37	43	53
Retained earnings, end of year.....	43	53	63

Financial condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash.....	172	202	232
Loans receivable, net.....	171	151	131
Total assets.....	343	353	363
Government investment:			
Non-interest-bearing capital (start and end of year).....	300	300	300
Retained earnings.....	43	53	63
Total Government investment.....	343	353	363

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury (unobligated balance).....	96	172	202	232

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous services to other accounts (total obligations).....	4	3	3
Financing:			
Advances and reimbursements from other accounts.....	4	3	3

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	3		
23 Rent, communications, and utilities.....	1	2	2
25 Other services.....		1	1
Total obligations.....	4	3	3

OFFICE OF TERRITORIES—Continued

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1		
Number of employees at end of year.....	0		
Average GS grade.....	16.0		
Average GS salary.....	\$14,430		

Proposed for later transmission:

TRUST TERRITORY OF THE PACIFIC ISLANDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Grants (total obligations).....		230	
Financing:			
New obligational authority (proposed supplemental appropriation).....		230	

Under existing legislation, 1961.—A supplemental appropriation, in the amount of \$230 thousand, is anticipated for the overhaul of three Trust Territory aircraft to permit their certification by the Federal Aviation Agency.

VIRGIN ISLANDS CORPORATION

Public enterprise funds:

CONTRIBUTIONS

For payment to the Virgin Islands Corporation in the form of grants, as authorized by law, **[\$691,000]** \$669,000. (48 U.S.C. 1407g; Department of the Interior and Related Agencies Appropriation Act, 1961.)

REVOLVING FUND

For an additional amount for the revolving fund established under this head in the Supplemental Appropriation Act, 1950, for advances to the Virgin Islands Corporation, as authorized by law (63 Stat. 350; 72 Stat. 1760), **[\$2,538,000]** \$881,000. (48 U.S.C. 1407e; Department of the Interior and Related Agencies Appropriation Act, 1961.)

【LOANS TO OPERATING FUND】

【The Virgin Islands Corporation may borrow not to exceed \$1,100,000 from the Treasury of the United States for the construction of salt water distillation facilities in Saint Thomas, Virgin Islands, as authorized by section 3 of the Act of September 2, 1958 (72 Stat. 1760).】 (Department of the Interior and Related Agencies Appropriation Act, 1961.)

OPERATING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Loan program: Administration.....	1	1	1
2. Sugar program:			
Production of sugar.....	1,366	1,893	1,883
Administration.....	81	92	97
3. Power program:			
Production and distribution of power.....	967	1,038	1,178
Administration.....	55	50	53
4. Miscellaneous revenue-producing activities:			
Expense.....	363	368	381
Administration.....	33	29	29
5. Non-revenue-producing activities.....	120	164	130
6. Interest on borrowings.....	241	321	350
Total operating costs.....	3,227	3,956	4,102
7. Unfunded adjustment to total operating costs: Depreciation included above (—)	—360	—381	—407
Total operating costs, funded.....	2,867	3,575	3,695
Capital outlay:			
1. Loan program: Loans acquired.....	8	4	5
2. Sugar program:			
Lands and structures.....	25	15	
Equipment.....	308	85	70
Long term accounts receivable.....	104		
3. Power program:			
Plant and office equipment.....	339	1,500	240
Distribution lines.....	259	300	200
8. Water distillation program: Structures and equipment.....	39	1,074	112
Total capital outlay.....	1,082	2,978	627
9. Unfunded adjustment to capital outlay: Property transferred in (—) without charge.....	—301		
Total capital outlay, funded.....	781	2,978	627
Total program costs, funded.....	3,648	6,553	4,322
10. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—287		—228
Obligations incurred for costs of other years, net.....		202	
Total obligations.....	3,361	6,755	4,094
Financing:			
Amounts becoming available:			
Appropriation:			
Contributions.....	130	691	669
Revolving fund.....		2,538	881
Authorization to expend from public debt receipts.....		1,100	
Revenue and receipts:			
Collection of loans.....	21	22	22
Interest on loans.....	8	7	6
Sale of commodities.....	955	2,060	2,024
Sale of power.....	1,103	1,297	1,539
Other receipts.....	523	384	379
Repayment of long term accounts receivable.....	21	33	33
Total amounts becoming available.....	2,761	8,132	5,553
Unobligated balance brought forward:			
Cash (Operating fund).....	—264	—864	161
Appropriation.....			352
Total amounts available.....	2,497	7,268	6,066
Unobligated balance carried forward:			
Cash (Operating fund).....	864	—161	—1,722
Appropriation.....		—352	—250
Financing applied to program.....	3,361	6,755	4,094

The Virgin Islands Corporation promotes the economic development of the U.S. 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; provided 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. A serious drought in 1960 resulted in a drastic decrease in sugar production. The estimates for 1961 and 1962 anticipate normal conditions during those years. Statistics and costs, including depreciation and interest, are as follows:

	1960 actual	1961 estimate	1962 estimate
Sugarcane production:			
Acres harvested.....	2,037.8	2,200	2,200
Tons per acre.....	19.44	32	32
Sugar manufacture: Tons of cane ground:			
Corporation cane.....	39,614	70,000	70,000
Purchased cane.....	31,462	70,000	70,000
Total.....	71,076	140,000	140,000
Sugar yield per ton of cane (percent).....	9.71	10.7	10.6
Tons of sugar produced.....	6,792	15,000	14,840
Total costs per ton.....	\$234.21	\$144.07	\$145.01
Income per ton of sugar.....	140.59	137.33	136.39
Loss (-) per ton.....	-93.62	-6.74	-8.62

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. Under Public Law 86-913, during 1960 power generating facilities were transferred from the Navy at a value of \$301 thousand as approved by the Bureau of the Budget. Program statistics are as follows:

	1960 actual	1961 estimate	1962 estimate
Generating capacity (kilowatts).....	10,730	15,730	15,730
Miles of distribution lines.....	511.9	538	555
Number of consumers.....	9,173	9,600	10,000
Kilowatt hours sold.....	26,353,203	31,495,000	36,836,000
Average income per kilowatt hour (cents).....	4.18	4.12	4.18
Average cost per kilowatt hour (cents).....	4.21	3.88	3.80
Profit or loss (-) per kilowatt hour (cents).....	-.03	.24	.38

5. Miscellaneous revenue-producing activities.—These consist of (a) certain Navy properties transferred to the Department of the Interior under a revocable permit and managed by the Corporation; (b) leases and rentals of property; and (c) miscellaneous sales of supplies and materials.

6. Non-revenue-producing activities.—These include water and soil conservation programs, particularly the construction of dams and land clearance, and forest development program.

8. Water distillation.—The construction of a modern salt water distillation plant will be completed and will be ready for trial runs in 1962.

Administrative expenses.—Administrative expenses for the fiscal year 1962 will be held within a limitation of \$180 thousand.

Financing.—In addition to the receipts from operations, appropriations are made for the Corporation as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Grants for non-revenue-producing activities.....	130	130	130
Grants to restore impairment of capital.....	---	561	539
Total appropriation.....	130	691	669

The sum of \$11 million has been authorized to a revolving fund for the Corporation, of which \$9,051 thousand has been appropriated. Through fiscal year 1960, \$6,513 thousand was withdrawn from these appropriations. There was also appropriated \$1,225 thousand for the water distillation project. The budget program for 1962 calls for an appropriation of \$881 thousand.

Legislation will be proposed to increase the authorization for appropriations in order to provide for additional capital outlay requirements, particularly for power facilities.

Operating results.—Substantial losses were incurred in the sugar program due to a serious drought in 1960, the second within the past 3 years. The power program was operated at a slight loss. The net loss for 1960 amounted to \$539 thousand. This amount consists of a loss on sugarcane and sugar of \$636 thousand; on power, \$6 thousand; and \$20 thousand on other activities. These losses are partially offset by a profit of \$123 thousand on the sale of buildings. An appropriation of \$539 thousand is requested to be applied against this loss. An analysis of the deficit account is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Accumulated deficit, net.....	4,030	4,074	4,098
Accumulated contribution for impairment of capital.....	3,057	3,618	4,157
Retained earnings or deficit (-), end of year.....	-973	-456	59

10. Relation of costs to obligations.—The relationship is derived from year-end balances of selected sources as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected sources at end of year:				
Inventories, deferred charges, etc.....	1,042	993	1,025	1,059
Undisbursed loan obligations.....	2	---	---	---
Unpaid undelivered orders.....	718	482	652	390
Total selected resources at end of year.....	1,762	1,475	1,677	1,449
Selected resources at start of year (-).....	---	-1,762	-1,475	-1,677
Costs financed from obligations of other years, net (-).....	---	-287	---	-228
Obligations incurred for costs of other years, net.....	---	---	202	---

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans.....	8	4	5
Expense.....	5	6	5
Sugar program:			
Acquisition of—			
Fixed assets.....	333	100	70
Long term accounts receivable.....	104	---	---
Expense:			
Purchase of commodities for manufacture or sale.....	383	430	424
Other expense.....	996	1,545	1,536
Power program:			
Acquisition of fixed assets.....	297	1,800	440
Expense.....	977	1,068	1,218

VIRGIN ISLANDS CORPORATION—Continued

Public enterprise funds—Continued

OPERATING FUND—Continued

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Continued			
Water distillation program: Acquisition of fixed assets.....	39	1,074	112
Miscellaneous revenue-producing activities: Expense.....	371	372	386
Non-revenue-producing activities:			
Water and soil conservation.....	90	133	100
Reforestation.....	30	31	30
Increase in selected working capital.....		1,267	1,197
Total gross expenditures.....	3,633	7,830	5,523
Receipts from operations (funds provided):			
Loan program:			
Loans repaid.....	21	22	22
Revenue.....	8	7	6
Sugar program:			
Revenue.....	955	2,060	2,024
Repayment of long term accounts receivable.....	21	33	33
Power program: Revenue.....	1,103	1,297	1,539
Miscellaneous revenue.....	379	384	379
Undistributed receipts:			
Proceeds from sale of fixed assets.....	139		
Donated working capital.....	5		
Decrease in selected working capital.....	834		
Total receipts from operations.....	3,465	3,803	4,003
Budget expenditures.....	168	4,027	1,520

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Loan program:			
Revenue.....	8	7	6
Expense.....	5	6	5
Net operating income, loan program.....	3	1	1
Sugar program:			
Revenue.....	955	2,060	2,024
Expense.....	1,591	2,161	2,152
Net operating loss (—), sugar program.....	—636	—101	—128
Power program:			
Revenue.....	1,103	1,297	1,539
Expense.....	1,109	1,223	1,399
Net operating income or loss (—), power program.....	—6	74	140
Miscellaneous revenue-producing activities:			
Revenue.....	379	384	379
Expense.....	402	402	416
Net operating loss (—), miscellaneous revenue-producing activities.....	—23	—18	—37
Nonoperating income:			
Proceeds from sale of buildings.....	139		
Net book value of asset sold (—).....	—16		
Net nonoperating income.....	123		
Net loss (—) for the year.....	—539	—44	—24
Analysis of retained earnings or deficit (—):			
Deficit (—), beginning of year.....	—434	—973	—456
Grants for operating losses.....		561	539
Retained earnings or deficit (—), end of year.....	—973	—456	59

Note.—Excludes expense for activities budgeted as predominantly nonrevenue producing, financed by appropriations as follows: 1960, \$130 thousand; 1961, \$130 thousand; 1962, \$130 thousand.

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash: With Treasury and in banks.....	75	116	498
Accounts receivable, net:			
Undelivered portion of sugar and molasses sold under contract (unbilled).....	222	1,656	1,941
Accounts receivable (billed).....	411	500	598
Commodities for sale (sugarcane in fields).....	145	155	159
Vegetables.....	1		
Supplies, deferred charges, etc.....	847	870	900
Loans receivable, net.....	144	126	109
Land, structures, and equipment, net.....	6,606	9,199	9,414
Long-term accounts receivable.....	356	323	290
Total assets.....	8,807	12,945	13,909
Liabilities:			
Current.....	1,181	1,459	675
Government investments:			
Interest-bearing capital:			
Start of year.....	7,452	7,787	11,164
Loans from appropriations during year, net.....		2,298	1,121
Borrowings from Treasury during year.....	34	1,079	112
Paid-in capital: Property transferred from Navy during year.....	301		
End of year.....	7,787	11,164	12,397
Non-interest-bearing capital:			
Start of year.....	773	778	778
Donated assets.....	5		
Unexpended grants for non-revenue-producing activities.....	34		
End of year.....	812	778	778
Retained earnings or deficit (—).....	—973	—456	59
Total Government investment.....	7,626	11,486	13,234

¹ Excludes \$675 thousand for commodities sold but not yet delivered.

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash and U.S. securities.....	79	75	116	498
Budget authorizations:				
Appropriation.....			240	
Authorization to expend from public debt receipts.....	125	91	112	
Total unexpended balance.....	204	166	468	498
Obligated balance, net:				
Current liabilities.....	1,076	1,181	1,459	675
Undisbursed loan obligations.....	2			
Unpaid undelivered orders.....	718	482	652	390
Accounts receivable, net (—).....	—1,328	—633	—2,156	—2,539
Total obligated balance.....	468	1,030	—45	—1,474
Unobligated balance.....	—264	—864	513	1,972

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 current fiscal year: *Provided*, That not to exceed [\$172,000] \$180,000 shall be available for administrative expenses (to be computed on an accrual basis)

of the Corporation, covering the categories set forth in the [1961] 1962 budget estimates for such expenses. (Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Sugar program (total accrued expenses—costs).....	170	172	180
Financing:			
Unobligated balance lapsing.....	2		
Limitation.....	172	172	180

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	1,142	1,267	1,299
Positions other than permanent.....	147	190	192
Other personnel compensation.....	28	32	33
Add excess of annual leave earned over annual leave taken.....	6	10	7
Total personnel compensation.....	1,323	1,499	1,531
Deduct portion not chargeable to limitation.....	1,206	1,377	1,399
Net personnel compensation.....	117	122	132
21 Travel and transportation of persons.....	18	18	18
23 Rent, communications, and utilities.....	5	5	4
25 Other services.....	24	21	21
26 Supplies and materials.....	4	5	4
41 Grants, subsidies, and contributions.....	2	1	1
Total accrued administrative expenses—costs.....	170	172	180

Personnel Summary

Total number of permanent positions.....	579	594	605
Full-time equivalent of other positions.....	141	182	184
Average number of all employees.....	720	776	789
Number of employees at end of year.....	705	720	730
Average salary of ungraded positions.....	\$2,085	\$2,168	\$2,186

ALASKA RAILROAD

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 salaries 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 salaries prescribed by said Act for GS-17, and five officers at not to exceed the salaries prescribed by said Act for grade GS-16. (48 U.S.C. 301-308; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Rail line program:			
(a) Engineering branch.....	2,898	3,117	3,117
(b) Motive power and equipment branch.....	3,840	3,882	3,882
(c) Division of traffic.....	139	153	153
(d) Division of operations.....	6,058	6,387	6,387
(e) Communications branch.....	289	349	349
(f) Incidental.....	411	499	499
(g) Administrative expense.....	845	881	881
2. Other programs:			
(a) River boats and related facilities leased.....	83	65	65
(b) Other nonoperating property.....	109	105	105
(c) Cost of material and supplies sold.....	107	57	57
(d) Other nonoperating expense.....	19	18	18
3. Other costs:			
Prior year adjustment.....	1,480	133	82
Other applied costs.....	51		
Total operating costs.....	16,328	15,646	15,595
4. Unfunded adjustments to total operating costs:			
Depreciation included above (—).....	—3,063	—2,074	—2,074
Provision for improvements expense (—).....	—273	—328	—250
Nondepreciable property retirements (—).....	—9	—50	—50
Total operating costs, funded.....	12,983	13,194	13,221
Capital outlay:			
5. Rail line program:			
Acquisition of roadbed, track, and structures.....	1,962	2,074	1,054
Acquisition of equipment.....	1,729	1,439	241
Total capital outlay.....	3,691	3,513	1,295
Total program costs, funded.....	16,674	16,707	14,516
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—694	—621
Obligations incurred for costs of other years, net.....	213		
Total obligations.....	16,887	16,014	13,895
Financing:			
Amount becoming available: Revenue and receipts:			
Freight revenue.....	10,939	11,818	11,818
Other rail line revenue.....	3,174	2,837	2,837
Other program revenue.....	426	345	345
Realization of assets:			
Sale of fixed property.....	2,285		
Other.....	821		
Adjustment of prior year revenue.....	36		
Total amounts becoming available.....	17,681	15,000	15,000
Unobligated balance brought forward.....	5,401	6,195	5,181
Total amounts available.....	23,082	21,195	20,181
Unobligated balance carried forward.....	6,195	5,181	6,286
Financing applied to program.....	16,887	16,014	13,895

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 mainline extends 470.3 miles from Seward to Fairbanks

ALASKA RAILROAD—Continued**Public enterprise funds—Continued****ALASKA RAILROAD REVOLVING FUND—Continued**

and 12.4 from Whittier to Portage Junction. Branch lines, passing tracks, spurs, and yards total 194.8 miles. Operating cost is estimated to increase from \$14.5 million in 1960 to \$15.3 million in 1961 and 1962, respectively. The increase in 1961 and 1962 represents additional operating costs of producing projected revenue. Revenue is expected to increase from \$14.1 million in 1960 to \$14.7 million in 1961 and 1962, respectively, by reason of increases in tonnage due to continued military construction projects and economic growth of Alaska.

Capital outlay totaled \$3.7 million in 1960 and is estimated at \$3.5 million in 1961 and \$1.3 million in 1962, principally for track maintenance and repairs and for purchase of rolling stock equipment.

2. *Other programs.*—These consist of costs mainly for sale of excess property and maintenance of rental properties in the amount of \$0.3 million in 1960.

Operating results and financial conditions.—A slight decrease in the volume of traffic in 1960 was due to a drop in local military tonnage, although freight handled by the Railroad from other than local sources showed a gradual increase. The Alaska Railroad received for performing these freight and passenger services and other nonoperating programs an income totaling \$14.5 million, an increase of 7.4% over the sum realized in 1959.

Retained earnings at year-end are estimated to be \$50 thousand which is substantially lower than earlier forecasts and is principally attributable to operational losses due to increases in depreciation rates and labor costs. Earnings are retained to meet future needs.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Advances.....	458			
Supplies, deferred charges, etc.....	4,219	5,888	5,192	4,571
Unpaid undelivered orders.....	1,156	157	160	160
Total selected resources at end of year.	5,833	6,046	5,352	4,731
Selected resources at start of year (—).....		—5,833	—6,046	—5,352
Costs financed from obligations of other years, net (—).....			—694	—621
Obligations incurred for costs of other years, net.....		213		

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Rail line operation program:			
Acquisition of assets.....	3,691	3,513	1,295
Expense.....	12,559	13,021	13,099
Other operations: Expense.....	154	82	82
Adjustment of prior years expense, net.....	262	83	32
Increase in selected working capital.....	798		
Total gross expenditures.....	17,464	16,699	14,508
Receipts from operations (funds provided):			
Rail line operation program: Revenue.....	14,113	14,655	14,655
Other operations: Revenue.....	426	345	345
Realization of assets:			
Sale of fixed assets.....	2,285		
Other.....	821		

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided)—Continued			
Decrease in selected working capital.....		699	621
Adjustment of prior years revenue.....	36		
Total receipts from operations.....	17,681	15,699	15,621
Budget expenditures.....	—217	1,000	—1,113

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Rail line operation program:			
Revenue.....	14,113	14,655	14,655
Expense.....	14,480	15,268	15,268
Net operating loss (—), rail line operation program.....	—367	—613	—613
Other operations:			
Revenue.....	426	345	345
Expense.....	317	245	245
Net nonoperating income.....	109	100	100
Net loss (—) for the year.....	—259	—513	—513
Analysis of retained earnings:			
Retained earnings, beginning of year.....	2,741	1,291	645
Prior year adjustments affecting fixed assets and working capital.....	—1,192	—133	—82
Retained earnings, end of year.....	1,291	645	50

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury and in banks.....	6,665	5,665	6,778
Accounts receivable, net.....	1,704	1,676	1,668
Supplies, deferred charges, etc.....	5,888	5,192	4,571
Land, structures, and equipment, net.....	111,306	112,367	111,287
Total assets.....	125,563	124,900	124,304
Liabilities:			
Current.....	2,017	2,000	2,000
Government investment:			
Non-interest-bearing capital:			
Start of year.....	128,205	122,255	122,255
Noncapital rehabilitation cost adjustments.....	—1,178		
Depreciation adjustments due to premature retirements prior to July 1, 1954.....	—5,158		
Other asset writeoffs.....	—85		
Donated assets and adjustments in prior donations.....	472		
End of year.....	122,255	122,255	122,255
Retained earnings.....	1,291	645	50
Total Government investment.....	123,546	122,900	122,305

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	6,448	6,655	5,665	6,778
Obligated balance, net:				
Current liabilities.....	1,972	2,017	2,000	2,000
Unpaid undelivered orders.....	1,156	157	160	160
Accounts receivable, net, and cash on hand (—).....	—2,081	—1,704	—1,676	—1,668
Total obligated balance.....	1,047	470	484	492
Unobligated balance.....	5,401	6,195	5,181	6,286

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	8,883	8,662	8,662
Other personnel compensation.....	661	638	638
Total personnel compensation.....	9,544	9,300	9,300
12 Personnel benefits.....	685	649	629
13 Benefits for former personnel.....	2	2	2
21 Travel and transportation of persons.....	66	65	65
22 Transportation of things.....	152	155	155
23 Rent, communications, and utilities.....	802	800	800
24 Printing and reproduction.....	8	8	8
25 Other services.....	986	1,170	870
26 Supplies and materials.....	2,180	2,200	1,567
31 Equipment.....	1,534	460	300
32 Lands and structures.....	500	1,679	600
41 Grants, subsidies, and contributions.....	89	94	94
42 Insurance claims and indemnities.....	126	126	126
Total costs.....	16,674	16,707	14,516
Costs financed from obligations of other years, net (-).....		-694	-621
Obligations incurred for costs of other years, net.....	213		
Total obligations.....	16,887	16,014	13,895

Personnel Summary

Total number of permanent positions.....	1,298	1,300	1,300
Average number of all employees.....	1,131	1,100	1,100
Number of employees at end of year.....	1,181	1,180	1,180
Average salary of ungraded positions.....	\$7,838	\$7,984	\$7,984

OFFICE OF THE SECRETARY

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 for replacement only, \$2,723,000], \$2,901,000. (5 U.S.C. 481-502; Department of the Interior and Related Agencies Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental direction.....	437	451	452
2. Program direction and coordination.....	809	885	887
3. Administrative management services.....	1,319	1,435	1,438
4. General services.....	82	124	124
Total program costs.....	2,647	2,895	2,901
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....	-8		
Obligations incurred for costs of other years, net.....		3	
Total obligations.....	2,640	2,898	2,901
Financing:			
Unobligated balance lapsing.....	67		
New obligational authority.....	2,707	2,898	2,901
New obligational authority:			
Appropriation.....	2,707	2,723	2,901
Proposed supplemental due to pay increases.....		175	

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.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$20 thousand; 1960, \$12 thousand; 1961, \$15 thousand; 1962, \$15 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,173	2,414	2,427
Positions other than permanent.....	21	15	15
Other personnel compensation.....	34	17	7
Total personnel compensation.....	2,228	2,446	2,449
12 Personnel benefits.....	153	182	182
21 Travel and transportation of persons.....	98	105	105
22 Transportation of things.....	2	1	1
23 Rent, communications, and utilities.....	29	36	36
24 Printing and reproduction.....	41	38	38
25 Other services.....	9	10	10
Services of other agencies.....	36	48	48
26 Supplies and materials.....	24	21	21
31 Equipment.....	18	11	11
42 Insurance claims and indemnities.....	2		
Total obligations.....	2,640	2,898	2,901

Personnel Summary

Total number of permanent positions.....	294	291	291
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	268	276	275
Number of employees at end of year.....	271	294	293
Average GS grade.....	9.3	9.4	9.4
Average GS salary.....	\$7,887	\$8,586	\$8,682

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note—Obligations incurred under allocations from other accounts are carried in the schedules of the parent appropriations as follows:
 "Civil defense and defense mobilization functions of Federal agencies," Office of Civil and Defense Mobilization.
 "Revolving fund, Defense Production Act," funds appropriated to the President.
 "Mutual security—economic," funds appropriated to the President.
 "Forest protection and utilization," Forest Service, Department of Agriculture.
 "Watershed protection," Soil Conservation Service, Department of Agriculture.

Intragovernmental funds:

WORKING CAPITAL FUND

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

OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

consists of \$300 thousand appropriated, donated assets of \$179 thousand, and retained earnings of \$27 thousand.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	15	17	16
Expense:			
Purchase of commodities for manufacture or sale.....	374	374	374
Other expense.....	1,415	1,486	1,521
Increase in selected working capital.....	38		
Total gross expenditures.....	1,842	1,877	1,911
Receipts from operations (funds provided):			
Revenue.....	1,821	1,875	1,910
Proceeds from sale of equipment.....	1	1	1
Total receipts from operations.....	1,822	1,876	1,911
Budget expenditures.....	20	1	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	1,821	1,875	1,910
Expense.....	1,825	1,875	1,910
Net operating loss (—).....	—4		
Nonoperating income or loss (—):			
Proceeds from sale of equipment.....	1	1	1
Net book value of assets sold (—).....	—1	—1	—1
Net loss from sale of equipment.....			
Chargeoff of fixed assets (—).....	—1		
Net nonoperating loss (—).....	—1		
Net loss (—) for the year.....	—5		
Retained earnings, beginning of year.....	32	27	27
Retained earnings, end of year.....	27	27	27

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	168	167	167
Accounts receivable, net.....	276	276	276
Commodities for sale.....	84	84	84
Materials and supplies.....	9	9	9
Machinery and equipment.....	125	126	126
Total assets.....	663	663	663
Liabilities:			
Current.....	157	157	157
Government investment:			
Non-interest-bearing capital:			
Start of year.....	477	479	479
Net donations during year.....	2		
End of year.....	479	479	479
Retained earnings.....	27	27	27
Total Government investment.....	506	506	506

Note.—Unpaid undelivered orders are as follows: 1959, \$75 thousand; 1960, \$94 thousand; 1961, \$90 thousand; 1962, \$90 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	735	809	824
Positions other than permanent.....	13	12	12
Other personnel compensation.....	64	63	59
Deduct excess of annual leave taken over leave earned.....	2		
Total personnel compensation.....	810	884	896
12 Personnel benefits.....	52	65	65
21 Travel and transportation of persons.....	15	15	15
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	367	366	366
24 Printing and reproduction.....	75	78	78
25 Other services.....	33	12	34
26 Supplies and materials.....	412	412	412
31 Equipment.....	40	44	44
Total accrued expenditures.....	1,804	1,877	1,911
Increase or decrease (—) in unpaid undelivered orders.....	19	—4	
Total obligations.....	1,823	1,873	1,911

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	156	158	158
Full-time equivalent of other positions.....	5	5	5
Average number of all employees.....	152	158	159
Number of employees at end of year.....	162	168	168
Average GS grade.....	5.4	5.4	5.4
Average GS salary.....	\$5,128	\$5,640	\$5,710

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Standardization of geographic names: Security classified projects.....	476	513	520
2. Miscellaneous services to other accounts.....	61	35	35
Total obligations.....	537	548	555
Financing:			
Unobligated balance brought forward.....	17	16	
Advances and reimbursements from other accounts.....	536	532	555
Unobligated balance carried forward.....	16		
Total financing.....	537	548	555

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	448	469	494
Positions other than permanent.....	4	16	
Other personnel compensation.....	17	2	
Total personnel compensation.....	469	487	494
12 Personnel benefits.....	28	38	39
21 Travel and transportation of things.....	10	3	3
23 Rent, communications, and utilities.....	8	4	4
24 Printing and reproduction.....	6	8	7
25 Other services.....	1	1	1
26 Supplies and materials.....	6	6	6
31 Equipment.....	9	1	1
Total obligations.....	537	548	555

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	82	82	82
Full-time equivalent of other positions.....	2	4	-----
Average number of all employees.....	76	79	79
Number of employees at end of year.....	81	78	78
Average GS grade.....	7.4	7.4	7.4
Average GS salary.....	\$5,833	\$6,254	\$6,358

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 *aircraft*, 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 costs 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, [1961] 1962 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, 1961.*)

DEPARTMENT OF JUSTICE
BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From obligational authority
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION									
Current authorizations:									
Salaries and expenses, general administration.....	608	3,695	3,805	231	4,240	3,606	3,982	4,089	3,770
Salaries and expenses, general legal activities.....	608	12,665	13,375	800	15,120	12,301	13,728	14,458	12,483
Salaries and expenses, Antitrust Division.....	519	4,500	4,760	314	5,500	4,325	4,896	5,322	4,735
Salaries and expenses, United States attorneys and marshals.....	608	22,825	23,710	873	25,715	22,603	24,083	25,137	23,869
Fees and expenses of witnesses.....	608	1,775	1,650		1,875	1,791	1,635	1,787	1,718
Salaries and expenses, claims of persons of Japanese ancestry.....	608					16			
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Fees and expenses of witnesses.....	608			225			135	90	
Total, legal activities and general administration.....		45,460	47,300	2,443	52,450	44,641	48,459	50,883	46,575
FEDERAL BUREAU OF INVESTIGATION									
Current authorizations:									
Salaries and expenses.....	608	114,600	118,000	7,550	127,216	112,607	124,773	126,643	118,322
IMMIGRATION AND NATURALIZATION SERVICE									
Current authorizations:									
Salaries and expenses.....	608	55,735	59,400	3,487	65,360	54,788	62,725	64,500	59,949
Permanent authorizations:									
Refund of bond forfeitures by refugees (indefinite).....	608	15	10			15	10		
Total, Immigration and Naturalization Service.....		55,750	59,410	3,487	65,360	54,803	62,735	64,500	59,949
FEDERAL PRISON SYSTEM									
Current authorizations:									
Salaries and expenses, Bureau of Prisons.....	216	42,350	43,045	1,900	46,550	41,284	43,897	45,716	41,148
Buildings and facilities.....	216	5,625	9,875		2,350	2,764	5,500	6,750	1,850
Support of United States prisoners.....	216	3,300	3,100		3,300	3,201	2,800	3,200	2,233
Intragovernmental funds:									
Federal Prison Industries, Incorporated:									
Prison industries fund.....	216								
Limitation on administrative and vocational training expenses.....		(1,268)	(1,415)	(98)	(1,582)	-1,336	-3,309	-3,500	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Salaries and expenses, Bureau of Prisons.....	216			284			250	34	
Support of United States prisoners.....	216			200			200		
Total, Federal Prison System.....		51,275	56,020	2,384	52,200	45,913	49,338	52,200	45,231
Total new obligational authority and budget expenditures.....		267,085	280,730	15,864	297,226	257,964	285,305	294,226	270,077
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		267,070	280,720		297,226	257,964	270,406	293,261	270,077
Permanent authorizations:		15	10						
Appropriations.....									
Proposed for later transmission:									
Pay increase supplemental appropriations.....			15,155				14,314	841	
Other: Appropriations.....			709				585	124	
Total new obligational authority and budget expenditures.....		267,085	296,594		297,226	257,964	285,305	294,226	270,077

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses, Federal Bureau of Investigation.....		5,586		7,544		8,321		8,894
Salaries and expenses, Immigration and Naturalization Service.....		3,560		4,389		4,551		5,411
Salaries and expenses, Bureau of Prisons.....		2,485		3,520		4,568		5,402
Buildings and facilities, Federal Prison System.....	146	1,009	2,432	3,871		8,246	100	3,846
Other.....		2,939		3,691		5,185		6,942
Subtotal.....	146	15,579	2,432	23,015		30,871	100	30,495
Balances of anticipated pay increase supplementals included above.....						-841		
Total appropriations.....	146	15,579	2,432	23,015		30,030	100	30,495
Revolving and management funds: Prison industries fund, Federal Prison Industries, Inc.....	11,075	5,292	10,633	3,627	10,942	3,936	11,006	4,000
Proposed for later transmission:								
Appropriations, other than pay increase supplementals.....						124		
Anticipated pay increase supplemental appropriations.....						841		
Total, proposed for later transmission.....						965		
Total, Department of Justice.....	11,221	20,871	13,065	26,642	10,942	34,931	11,106	34,495

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority.....	267,085	296,594	297,226
Unobligated balances brought forward, start of year.....	11,221	13,065	10,942
Unobligated balances lapsing (-).....	-308		
Capital transfers from revolving funds to receipt accounts (-).....	-3,000	-3,000	-3,436
Unobligated balances carried forward, end of year (-).....	-13,065	-10,942	-11,106
Obligations incurred, net.....	261,933	295,717	293,626
Obligated balances brought forward, start of year.....	9,650	13,577	23,989
Adjustments of obligated balances in expired accounts.....	-42		
Obligated balances carried forward, end of year (-).....	-13,577	-23,989	-23,389
Budget expenditures.....	257,964	285,305	294,226

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Labor and welfare:						
216 Correctional and penal institutions.....	51,275	58,404	52,200	45,913	49,338	52,200
Commerce, housing, and space technology:						
519 Regulation of commerce and finance.....	4,500	5,074	5,500	4,325	4,896	5,322
General government:						
608 Protective services and alien control.....	211,310	233,116	239,526	207,726	231,071	236,704
Total, Department of Justice.....	267,085	296,594	297,226	257,964	285,305	294,226

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 (two for replacement only) and hire of passenger motor vehicles; and miscellaneous and emergency expenses authorized or approved by the Attorney General or his Administrative Assistant; **[\$3,805,000]** \$4,930,000, of which \$690,000 shall be derived from the Alien property fund, World War II, for general administrative expenses of alien property activities. (5 U.S.C.A. 291, note, 294, 295, 310, 312, 315, 341, 341e; 8 U.S.C. 1103; 18 U.S.C. 4201-9; 13 Stat. 516; 50 U.S.C. App. 6; Executive Order 9788, Oct. 14, 1946, 11 F.R. 11981; Attorney General's Order 208-60, July 23, 1960, 25 F.R. 7163; Department of Justice Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
1. Executive direction.....	648	737	761
2. Administrative review and appeals.....	714	780	828
3. Administrative services.....	2,213	2,519	2,651
Total direct costs.....	3,575	4,036	4,240
Reimbursable costs:			
3. Administrative services.....	50	50	50
4. Alien property liquidation and litigation.....	1,401	640	640
Total reimbursable costs.....	1,451	690	690
Total program costs.....	5,026	4,726	4,930
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	60		
Total obligations.....	5,086	4,726	4,930
Financing:			
Advances and reimbursements from non-Federal sources:			
Authorized.....	-1,451	-650	-690
Proposed increase in limitation due to pay increases.....		-40	
Unobligated balance lapsing.....	60		
New obligational authority.....	3,695	4,036	4,240
New obligational authority:			
Appropriation.....	3,695	3,805	4,240
Proposed supplemental due to pay increases.....		231	

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. Recent legislation (indeterminate sentencing acts and the Labor-Management Reporting and Disclosure Act) has added review and determination functions regarding eligibility for parole and eligibility to hold office in labor unions. The following tables show the actual and projected workloads of these boards:

BOARD OF PAROLE

	1959 actual	1960 actual	1961 estimate	1962 estimate
Parole decisions:				
Hearings.....	13,689	15,041	16,500	17,700
Reviews.....	2,636	2,891	3,100	3,300
Paroles denied.....	5,598	5,461	5,550	5,700
Paroles granted.....	4,385	4,666	5,000	5,200
Juvenile and youth offender considerations.....	2,286	3,104	3,500	4,000
Determinations of eligibility for parole.....	138	391	1,000	1,300
Determinations of eligibility to hold labor union office.....		13	5	12

¹ New function in effect for only fraction of year.

BOARD OF IMMIGRATION APPEALS

	1959 actual	1960 actual	1961 estimate	1962 estimate
Cases pending, beginning of year.....	289	152	171	146
Cases received.....	1,930	1,240	1,200	1,200
Cases closed.....	2,067	1,221	1,225	1,225
Cases pending, end of year.....	152	171	146	121

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, including alien property activities, and for the larger divisions and bureaus when such functions can be more effectively and economically performed centrally. The Department's Library, containing over 223,000 volumes of legal and related reference material, is included within this activity.

4. *Alien property liquidation and litigation.*—The Office of Alien Property was transferred, effective July 22, 1960, into the Office of the Attorney General. Despite rapid progress in reducing the workload, a hard core of work remains which will go on indefinitely. Alien enemy property such as interests in business enterprises, real estate, securities, life insurance, and other tangible personal property vested during World Wars I and II is still being liquidated. Certain active properties are being managed pending their disposition. There were five of these properties operated in 1960; there will be two left at the end of 1961, and only one at the end of 1962. Claims against vested property are administratively adjudicated. Suits for the return of vested property are defended.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Caseload:				
Real and personal property:				
Pending, beginning of year.....	121	59	33	28
Received.....	58	14	30	15
Terminated.....	120	40	35	25
Pending, end of year.....	59	33	28	18
Claims:				
Pending, beginning of year.....	12,332	3,752	3,049	2,743
Received (includes special claims load created by pending court decision).....	48	2,046	4	
Reopened.....		257		
Adjustment of number of claims pending.....		-1,715		
Terminated.....	8,628	1,291	310	225
Pending, end of year.....	3,752	3,049	2,743	2,518
Cases:				
Pending, beginning of year.....	530	276	226	162
Received.....	84	27	44	20
Change in definition of "case".....			-16	
Terminated.....	184	77	92	97
Adjustment—determined to be not litigable.....	108			
Pending, end of year.....	276	226	162	85

¹ Adjusted to reflect changes in statistics previously reported.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$6 thousand; 1960, \$67 thousand; 1961, \$67 thousand; 1962, \$67 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	4,084	3,861	3,982
Positions other than permanent.....	72	40	40
Other personnel compensation.....	45	16	2
Total personnel compensation.....	4,201	3,918	4,024

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, GENERAL ADMINISTRATION—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct costs:			
11 Personnel compensation.....	2,999	3,320	3,469
12 Personnel benefits.....	203	247	257
21 Travel and transportation of persons.....	79	88	104
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	75	80	91
24 Printing and reproduction.....	14	44	44
25 Other services.....	51	66	67
26 Supplies and materials.....	51	62	64
31 Equipment.....	102	128	143
Total direct costs.....	3,575	4,036	4,240
Reimbursable costs:			
11 Personnel compensation.....	1,202	598	555
12 Personnel benefits.....	75	37	35
21 Travel and transportation of persons.....	25	4	15
22 Transportation of things.....	2		
23 Rent, communications, and utilities.....	91	36	36
24 Printing and reproduction.....	11	4	10
25 Other services.....	42	10	37
26 Supplies and materials.....	3	1	2
Total reimbursable costs.....	1,451	690	690
Total costs.....	5,026	4,726	4,930
Obligations incurred for costs of other years, net.....	60		
Total obligations.....	5,086	4,726	4,930

Personnel Summary

Total number of permanent positions.....	717	623	627
Full-time equivalent of other positions.....	12	4	4
Average number of all employees.....	663	583	600
Number of employees at end of year.....	600	568	571
Average GS grade.....	7.0	6.8	6.8
Average GS salary.....	\$6,144	\$6,555	\$6,593
Average salary of positions established by 18 U.S.C. 4201.....	\$16,891	\$17,765	\$17,765
Average salary of ungraded positions.....	\$4,765	\$4,793	\$4,809

[OFFICE OF] ALIEN PROPERTY ACTIVITIES

[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 \$650,000 shall be available in the current fiscal year for the, including such amounts as may be otherwise provided in this Act for general administrative expenses [of the Office of Alien Property, including rent of private or Government-owned space in the District of Columbia]: *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 non-administrative 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 \$50,000 is to be transferred to the appropriation for "Salaries and expenses, general administration", Justice].

Note.—Pursuant to Attorney General's Order No. 208-60, the Office of Alien Property was transferred to the Office of the Attorney General; the administrative expenses of the Office will hereafter be reflected under "Salaries and expenses, general administration." Primary functions involved in the handling of the properties are carried out under the trust fund, the presentation of which appears in part III.

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); [\$13,375,000] \$15,120,000.

[Section 20(b) of the Indian Claims Commission Act of August 13, 1946 (25 U.S.C. 70s), is hereby amended by adding at the end of the second sentence thereof a new sentence as follows:]

["In similar manner and with like effect either party may appeal to the Court of Claims from any interlocutory determination by the Commission establishing the liability of the United States notwithstanding such determination is not for any reason whatever final as to the amount of recovery; and any such interlocutory appeal shall be taken on or before January 1, 1961, or three months from such interlocutory determination, whichever is later: *Provided*, That the failure of either party to appeal from any such interlocutory determination shall not constitute a waiver of its right to challenge such interlocutory determination in any appeal from any final determination subsequently made in the case."] (5 U.S.C. 22, 291, 293, 295, 310, 315, 341; Department of Justice Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Conduct of Supreme Court proceedings and coordination of appellate matters.....	372	424	428
2. General tax matters.....	2,354	2,682	3,028
3. Criminal matters.....	1,556	1,800	1,815
4. Claims, customs, and general civil matters.....	3,173	3,496	3,769
5. Land matters.....	2,911	3,421	3,695
6. Legal opinions.....	383	482	484
7. Internal security matters.....	1,023	1,181	1,193
8. Civil rights matters.....	466	689	708
Total program costs.....	12,238	14,175	15,120
9. Relation to costs to obligations: Obligations incurred for costs of other years, net.....	347		
Total obligations.....	12,585	14,175	15,120
Financing:			
Unobligated balance lapsing.....	80		
New obligational authority.....	12,665	14,175	15,120
New obligational authority:			
Appropriation.....	12,790	13,375	15,120
Transferred to "Salaries and expenses, United States attorneys and marshals" (64 Stat. 1261).....	125		
Appropriation (adjusted).....	12,665	13,375	15,120
Proposed supplemental due to pay increases.....		800	

The following legal activities of the Department are financed from this appropriation:

1. *Conduct of Supreme Court proceedings and coordination of appellate matters.*—All appellate matters are supervised and controlled, and the Government is represented before the Supreme Court by personnel of the activity.

2. *General tax matters.*—Cases arising under the internal revenue laws and other tax statutes are prosecuted or defended under this activity.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Caseload:				
Pending, beginning of year.....	4,386	4,261	4,416	4,416
Received.....	6,227	6,469	6,800	7,300
Terminated.....	6,352	6,314	6,800	7,300
Pending, end of year.....	4,261	4,416	4,416	4,416

3. *Criminal matters.*—These embrace all actions in criminal law except tax, internal security, antitrust, and civil rights matters.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Caseload:				
Pending, beginning of year.....	146	165	162	212
Received.....	3,472	3,980	4,010	4,055
Terminated.....	3,453	3,983	3,960	4,005
Pending, end of year.....	165	162	212	262

4. *Claims, customs, and general civil matters.*—The prosecution or defense of civil suits and claims of the Government, except tax, land, civil rights, and alien property matters are handled by this activity.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Caseload:				
Pending, beginning of year.....	14,307	14,303	13,636	14,471
Received.....	8,746	9,231	9,760	9,930
Terminated.....	8,750	9,898	8,925	9,500
Pending, end of year.....	14,303	13,636	14,471	14,901

5. *Land matters.*—The lands division represents the Government in all civil suits and legal matters relating to title, possession, and use of Federal land and natural resources. Its work also includes civil litigation involving Indians and Indian affairs in which the United States is directly concerned.

6. *Legal opinions.*—Opinions are prepared for the President and executive agencies. Proposed Executive orders and proclamations are reviewed as to form and legality.

7. *Internal security matters.*—All litigation and related matters concerning the internal security of the United States are handled in this activity.

8. *Civil rights matters.*—Cases and matters involving the civil rights of persons within the jurisdiction of the United States are covered in this activity.

	1959 actual	1960 actual	1961 estimate	1962 estimate
Caseload:				
Pending, beginning of year.....	409	401	834	900
Received.....	2,089	2,188	2,500	3,000
Terminated.....	2,097	1,755	2,434	3,000
Pending, end of year.....	401	834	900	900

9. *Relation of costs to obligations.*—Year-end balances of unpaid, undelivered orders are as follows: 1959, \$248 thousand; 1959 adjusted, \$363 thousand; 1960, \$710 thousand; 1961, \$710 thousand; 1962, \$710 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	9,184	10,752	11,236
Positions other than permanent.....	263	144	144
Other personnel compensation.....	1,006	1,210	1,472
Total personnel compensation.....	10,453	12,106	12,852
12 Personnel benefits.....	642	785	817
21 Travel and transportation of persons.....	375	393	417
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	129	138	208

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	344	418	434
25 Other services.....	179	190	206
26 Supplies and materials.....	84	95	107
31 Equipment.....	31	48	77
Total costs.....	12,238	14,175	15,120
Obligations incurred for costs of other years, net.....	347		
Total obligations.....	12,585	14,175	15,120

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,323	1,368	1,422
Full-time equivalent of other positions.....	34	17	17
Average number of all employees.....	1,218	1,306	1,359
Number of employees at end of year.....	1,249	1,341	1,395
Average GS grade.....	9.1	9.1	9.1
Average GS salary.....	\$7,644	\$8,262	\$8,293
Average salary of ungraded positions.....	\$15,000	\$14,000	\$14,000

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, **[\$4,760,000] \$5,500,000**: *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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Enforcement of antitrust and kindred laws (total program costs).....	4,407	5,074	5,500
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	72		
Total obligations.....	4,479	5,074	5,500
Financing:			
Unobligated balance lapsing.....	21		
New obligational authority.....	4,500	5,074	5,500
New obligational authority:			
Appropriation.....	4,500	4,760	5,500
Proposed supplemental due to pay increases.....		314	

1. *Enforcement of antitrust and kindred laws.*—This division administers and enforces the antitrust laws and related statutes. Actual and estimated caseloads are indicated in the following table:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Caseload:				
Pending, beginning of year.....	1103	1100	141	176
Filed.....	63	86	95	95
Terminated.....	66	45	60	60
Pending, end of year.....	1100	141	176	211

1 Adjusted to reflect changes in statistics previously reported.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$10 thousand; 1960, \$82 thousand; 1961, \$82 thousand; 1962, \$82 thousand.

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, ANTITRUST DIVISION—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,561	4,165	4,460
Positions other than permanent.....	78	52	52
Other personnel compensation.....	42	28	12
Total personnel compensation.....	3,681	4,245	4,524
12 Personnel benefits.....	229	290	311
21 Travel and transportation of persons.....	184	185	210
22 Transportation of things.....	6	6	6
23 Rent, communications, and utilities.....	55	56	107
24 Printing and reproduction.....	56	70	105
25 Other services.....	130	142	142
26 Supplies and materials.....	29	40	46
31 Equipment.....	37	40	49
Total costs.....	4,407	5,074	5,500
Obligations incurred for costs of other years, net.....	72		
Total obligations.....	4,479	5,074	5,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	516	539	575
Full-time equivalent of other positions.....	10	6	6
Average number of all employees.....	467	502	538
Number of employees at end of year.....	490	510	544
Average GS grade.....	9.5	9.1	9.1
Average GS salary.....	\$7,625	\$8,381	\$8,370

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS AND MARSHALS

For necessary expenses of the offices of United States attorneys and marshals, including purchase of one bus at not to exceed \$17,500; and firearms and ammunition; [\$23,310,180] \$25,715,000, of which not to exceed \$50,000 shall be available for the employment of temporary deputy marshals in lieu of bailiffs at a rate of not to exceed \$12 per day, and of which \$500,000 shall be apportioned for use, pursuant to section 3679 of the Revised Statutes, as amended, only to the extent necessary to provide for transportation of prisoners, guard hire, and other expenses (except other personal services) which result from litigation in the courts, and which are beyond the control of the Department of Justice: Provided, That of the amount herein appropriated [\$15,000] \$17,500 may be used for the emergency replacement of one prisoner-carrying bus upon certificate of the Attorney General: Provided further, That of the amount herein appropriated not to exceed \$200,000 shall be available for payment of compensation and expenses of Commissioners appointed in condemnation cases under Rule 71A(h) of the Federal Rules of Civil Procedure.

For an additional amount for "Salaries and expenses, United States attorneys and marshals", \$400,000. (5 U.S.C. 320, 341; 18 U.S.C. 4008; 28 U.S.C. 501, 510, 541, 553; 48 U.S.C. 109, 110; Department of Justice Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. U.S. attorneys.....	13,408	14,173	14,843
2. U.S. marshals.....	9,426	10,410	10,872
Total program costs.....	22,834	24,583	25,715
3. Relation of cost to obligations: Costs financed from obligations of other years, net (-).....	-17		
Total obligations.....	22,817	24,583	25,715

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	8		
New obligational authority.....	22,825	24,583	25,715
New obligational authority:			
Appropriation.....	22,700	23,710	25,715
Transferred from "Salaries and expenses, general legal activities" (64 Stat. 1261).....	125		
Appropriation (adjusted).....	22,825	23,710	25,715
Proposed supplemental due to pay increases.....		873	

The Government is represented in each of the 91 judicial districts (reduced by 3 as a result of statehood in Alaska) by a U.S. attorney and a U.S. marshal.

1. *U.S. attorneys.*—The U.S. attorney is responsible for the Government's legal interests in his district.

2. *U.S. marshals.*—The marshal has custody of all Federal offenders until they are released by the courts or confined in prison. He also acts as agent of the court in the service of process.

The following table shows actual and estimated workloads:

	1959 actual	1960 actual	1961 estimate	1962 estimate
U.S. attorneys: Caseload:				
Pending, beginning of year.....	1 26,043	1 25,971	27,051	26,551
Filed during year.....	55,364	54,999	56,500	58,000
Terminated during year.....	55,436	53,919	57,000	58,500
Pending, end of year.....	1 25,971	1 27,051	26,551	26,051
U.S. marshals:				
Process served.....	652,402	655,885	660,000	665,000
Process endeavors, unsuccessful.....	170,034	169,192	175,000	180,000
Defendants arrested.....	19,773	18,860	20,000	21,000
Prisoners handled.....	184,157	175,940	185,000	190,000

¹ Adjusted to reflect changes in statistics previously reported.

As shown by this table the workload of this appropriation is determined by circumstances beyond the control of the Department of Justice; therefore provision is being made for an amount to be available only to meet fluctuating requirements not estimated for herein.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$64 thousand; 1960, \$47 thousand; 1961, \$47 thousand; 1962, \$47 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	16,620	17,846	18,208
Positions other than permanent.....	103	83	83
Other personnel compensation.....	1,057	1,100	1,031
Total personnel compensation.....	17,780	19,028	19,321
12 Personnel benefits.....	959	1,249	1,307
21 Travel and transportation of persons.....	2,102	2,285	2,289
22 Transportation of things.....	22	26	26
23 Rent, communications, and utilities.....	565	545	579
24 Printing and reproduction.....	298	331	366
25 Other services.....	704	630	700
26 Supplies and materials.....	142	130	131
31 Equipment.....	263	358	495
Contingency for litigative expenses.....			500
Subtotal.....	22,835	24,583	25,715
Deduct quarters and subsistence charges.....	1		
Total costs.....	22,834	24,583	25,715

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Costs financed from obligations of other years, net (-).....	-17		
Total obligations.....	22,817	24,583	25,715
Personnel Summary			
Total number of permanent positions.....	2,716	2,690	2,710
Full-time equivalent of other positions.....	10	5	5
Average number of all employees.....	2,640	2,610	2,644
Number of employees at end of year.....	2,590	2,600	2,622
Average GS grade.....	6.2	6.1	6.2
Average GS salary.....	\$5,326	\$5,815	\$5,887
Average salary of ungraded positions.....	\$8,967	\$9,610	\$9,571

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 \$275,000 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; ~~[\$1,650,000]~~ \$1,875,000: *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; Department of Justice Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Fact witnesses.....	1,555	1,375	1,600
2. Expert witnesses.....	218	275	275
Total program costs—obligations.....	1,773	1,650	1,875
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation)	1,775	1,650	1,875

Fees and expenses are paid to witnesses who appear on behalf of the Government in all cases to which the United States is a party.

1. *Fact witnesses.*—These witnesses testify as to events or facts about which they have personal knowledge. The fees of physicians and psychiatrists for examining accused persons preparatory to testifying in court are also paid from this fund. A supplemental estimate for 1961 is anticipated under Proposed for later transmission.

2. *Expert witnesses.*—The testimony of these witnesses entails the use of special training or information.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Fees, fact witnesses.....	330	328	340
Fees, mental examinations.....	98	47	110
Fees, expert witnesses.....	218	275	275
Total personnel compensation.....	646	650	725
21 Travel and transportation of persons.....	1,127	1,000	1,150
Total obligations.....	1,773	1,650	1,875

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Salaries and expenses, general administration.....	9		
2. Salaries and expenses, general legal activities.....	124	70	71
3. Salaries and expenses, Antitrust Division.....	9		
4. Salaries and expenses, United States attorneys and marshals.....	31	35	35
Total obligations.....	173	105	106
Financing:			
Advances and reimbursements from other accounts.....	173	105	106

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	47	50	50
Positions other than permanent.....	32	25	25
Other personnel compensation.....	84	25	25
Total personnel compensation.....	163	100	100
12 Personnel benefits.....	2		1
25 Other services.....	8	5	5
Total obligations.....	173	105	106

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	8	7	7
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	9	9	9
Number of employees at end of year.....	8	7	7
Average GS grade.....	10.0	7.0	7.0
Average GS salary.....	\$8,013	\$6,746	\$6,919
Average salary of ungraded positions.....	\$7,900	\$8,625	\$8,625

Proposed for later transmission:

FEEs AND EXPENSES OF WITNESSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Fact witnesses (total costs—obligations).....		225	
Financing:			
New obligational authority (proposed supplemental appropriation).....		225	

Under existing legislation, 1961.—It is anticipated that a supplemental appropriation will be needed to meet estimated costs for witnesses beyond currently available funds for 1961.

FEDERAL BUREAU OF INVESTIGATION

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General, including purchase for police-type use without regard to the general purchase price limitation for the current fiscal year (not to exceed five hundred and one, including one armored vehicle, for replacement only) and hire of passenger motor vehicles; firearms and ammunition; not to exceed \$10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph; payment of rewards; [construction of a storage building at the Federal Bureau of Investigation Training Center, Quantico, Virginia;] 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; [\$118,000,000] \$127,216,000: 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination.....	4,512	4,804	4,828
(b) Maintenance of investigative records and communications system.....	5,676	6,412	6,450
(c) Field investigations.....	87,088	95,506	96,726
2. Identification by fingerprints.....	9,072	10,519	10,561
3. Criminal and scientific laboratory.....	2,324	2,531	2,619
4. Training schools and inspectional services.....	703	803	819
5. General administration.....	4,920	5,218	5,213
Total program costs ¹	114,295	125,793	127,216
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-243	
Obligations incurred for costs of other years, net.....	259		
Total obligations.....	114,554	125,550	127,216
Financing:			
Unobligated balance lapsing.....	46		
New obligational authority.....	114,600	125,550	127,216
New obligational authority:			
Appropriation.....	114,600	118,000	127,216
Proposed supplemental due to pay increases.....		7,550	

¹ Includes capital outlay as follows: 1960, \$2,778 thousand; 1961, \$3,652 thousand; 1962, \$3,449 thousand.

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 1962 totals \$127.2 million. Broadened responsibilities occasioned by the enactment of new legislation, such as the Civil Rights Act of 1960 and the Labor-Management Reporting and Disclosure Act of 1959, will considerably add to the Bureau's workload commitments.

1. *Security and criminal investigations.*—This activity 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 1960, the Bureau received 1,571,834 names for search through its files. An increase in name searches is anticipated.

CASELOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Investigative matters received.....	513,855	537,335	545,000	563,000

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 5,202,907 sets of fingerprints were received for handling during 1960. The volume of fingerprint work is expected to increase. Sets of fingerprints on file on July 1, 1960, totaled 156,118,699.

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 1960, scientific examinations totaled 210,745, a new alltime high. The upward trend is expected to continue.

4. *Training schools and inspectional services.*—A bureau-wide inspectional service and a personnel training program are provided. The Bureau assists upon request in providing various types of training to local law enforcement agencies.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	201	245	200	200
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	83	298	100	100
Total selected resources at end of year.....	284	543	300	300
Selected resources at start of year (-).....		-284	-543	-300
Costs financed from obligations of other years, net (-).....			-243	
Obligations incurred for costs of other years, net.....		259		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	88,291	97,354	99,190
Positions other than permanent.....	15	20	20
Other personnel compensation.....	6,403	6,435	6,097
Total personnel compensation.....	94,709	103,808	105,306
12 Personnel benefits.....	5,676	7,192	7,289
21 Travel and transportation of persons.....	4,402	4,437	4,477
22 Transportation of things.....	532	518	522
23 Rent, communications, and utilities.....	2,540	2,518	2,644

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	164	157	158
25 Other services.....	1,613	1,704	1,588
26 Supplies and materials.....	1,628	1,624	1,616
31 Equipment.....	2,920	3,830	3,611
42 Insurance claims and indemnities.....	111	5	5
Total costs.....	114,295	125,793	127,216
Costs financed from obligations of other years, net (—).....		—243	
Obligations incurred for costs of other years, net.....	259		
Total obligations.....	114,554	125,550	127,216

Personnel Summary

Total number of permanent positions.....	13,728	13,975	14,050
Full-time equivalent of other positions.....	3	4	4
Average number of all employees.....	13,262	13,504	13,579
Number of employees at end of year.....	13,593	13,745	13,820
Average GS grade.....	8.0	8.0	8.1
Average GS salary.....	\$6,646	\$7,196	\$7,290

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Security and criminal investigations:			
(a) Coordination:			
Atomic Energy Commission.....	20	103	103
Civil Service Commission.....	1	5	5
Other agencies.....	37	35	
(b) Maintenance of investigative records and communications system:			
Civil Service Commission.....	1	1	1
(c) Field investigations:			
Atomic Energy Commission.....	1,089	1,085	1,085
Civil Service Commission.....	23	24	24
Other agencies.....	342	230	
Non-Federal sources.....	151	125	125
5. General administration:			
Atomic Energy Commission.....	2	2	2
Civil Service Commission.....	1		
Other agencies.....	3		
Total obligations.....	1,670	1,610	1,345
Financing:			
Advances and reimbursements from—			
Other accounts.....	1,519	1,485	1,220
Non-Federal sources (40 U.S.C. 481(c)).....	151	125	125
Total financing.....	1,670	1,610	1,345

Object Classification (in thousands of dollars)

11 Personnel compensation:			
Permanent positions.....	1,166	1,151	972
Other personnel compensation.....	99	89	69
Total personnel compensation.....	1,265	1,240	1,041
12 Personnel benefits.....	73	85	71
21 Travel and transportation of persons.....	121	102	50
22 Transportation of things.....	6	5	5
23 Rent, communications, and utilities.....	15	14	14
24 Printing and reproduction.....	1	1	1
25 Other services.....	19	18	18
26 Supplies and materials.....	15	13	13

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
31 Equipment.....	155	132	132
Total obligations.....	1,670	1,610	1,345

Personnel Summary

Total number of permanent positions.....	154	139	123
Average number of all employees.....	148	134	118
Number of employees at end of year.....	151	136	120
Average GS grade.....	9.9	9.8	9.3
Average GS salary.....	\$7,806	\$8,502	\$8,146

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 \$50,000 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; purchase for police-type use, without regard to the general purchase price limitation for the current fiscal year (not to exceed two hundred and fifty for replacement only) and hire of passenger motor vehicles; purchase (not to exceed [five] seven, 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 equipment incident thereto; acquisition of land as sites for enforcement fence and construction incident to such fence; reimbursement of the General Services Administration for security guard services for protection of confidential files; 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; **[\$59,400,000]** \$65,860,000: Provided, That of the amount herein appropriated, not to exceed \$50,000 may be used for the emergency replacement of aircraft upon certificate of the Attorney General. (5 U.S.C. 341, 341d, 341e; act of June 27, 1952, Public Law 82-414, sec. 103a; Department of Justice Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Inspection for admission into the United States.....	13,818	16,028	17,060
2. Detention and deportation.....	4,920	5,549	5,625
3. Naturalization.....	3,160	3,506	3,564
4. Border patrol.....	16,076	18,440	19,690
5. Investigating aliens' status.....	9,936	10,741	10,889
6. Immigration and naturalization records.....	4,297	5,430	5,000
7. General administration.....	3,203	3,487	3,532
Total program costs¹.....	55,410	63,181	65,360
8. Relation of costs to obligations:			
Cost financed from obligations of other years, net (—).....		—295	
Obligations incurred for costs of other years, net.....	268		
Total obligations.....	55,677	62,887	65,360

¹Includes capital outlay as follows: 1960, \$1,950 thousand; 1961, \$2,624 thousand; 1962, \$3,706 thousand.

IMMIGRATION AND NATURALIZATION SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	58		
New obligational authority.....	55,735	62,887	65,360
New obligational authority:			
Appropriation.....	55,800	59,400	65,360
Transferred to "Operating expenses, Public Buildings Service," General Services Administration.....	-65		
Appropriation (adjusted).....	55,735	59,400	65,360
Proposed supplemental due to pay increases.....		3,487	

The Service administers and enforces the laws relating to immigration and naturalization. Recent legislation and rising volumes of international traffic have increased workloads.

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. Provision is made for the construction of 12 border stations under the joint Immigration and Naturalization Service—Bureau of Customs construction program.

WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Aliens admitted.....	1,285,631	1,406,134	1,516,000	1,626,000
Stowaways found on arrival.....	316	240	300	300
Citizens arrived.....	1,259,406	2,706,632	2,850,000	3,100,000
Alien crewmen examined on arrival.....	1,692,893	1,707,992	1,730,000	1,750,000
Entries over land boundaries.....	1,149,657,907	154,034,400	160,741,000	166,419,000
Aliens denied entry on primary inspection.....	146,043	148,436	150,000	153,000

¹ Adjusted to reflect changes in statistics previously reported.

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.

WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Orders to show cause.....	11,587	11,817	11,800	11,800
Hearings.....	12,446	11,615	11,600	11,600
Aliens expelled.....	1,64,598	59,625	62,900	63,200
Average number of aliens held in detention.....	968	821	860	860

¹ Adjusted to reflect changes in statistics previously reported.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Applications, petition for naturalization.....	134,870	168,199	185,000	185,000
Applications, derivative citizenship.....	33,801	36,770	40,000	40,000
Applications for new papers.....	8,894	8,962	9,000	9,000
Recommendations to courts.....	108,350	123,383	147,000	147,000

4. *Border patrol.*—The patrol guards the international boundaries to combat smuggling and apprehends aliens illegally in the United States. Improved patrolling of the boundaries has resulted in fewer illegal entries, therefore fewer violators are being apprehended.

WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Persons apprehended.....	34,218	29,881	28,000	26,800
Deportable aliens.....	32,996	28,966	27,000	26,000
Smugglers of aliens.....	321	330	375	400
Other law violators.....	1,348	1,089	1,000	1,000

5. *Investigating aliens' status.*—These investigations deal with admission, naturalization, deportation, and arrests for violation of the immigration and nationality laws.

WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Pending, beginning of year.....	10,960	10,654	9,678	7,868
Received.....	56,313	59,104	53,000	53,000
Terminated.....	56,619	60,080	54,810	54,170
Pending, end of year.....	10,654	9,678	7,868	6,698

¹ Apparent decrease from fiscal year 1960 results from revision of case definition.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
New files prepared.....	447,209	450,209	470,000	483,000
Index searches.....	3,316,809	3,450,430	3,500,000	3,570,000
Alien address reports.....	2,948,694	2,948,973	3,000,000	3,000,000

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$512 thousand; 1959 adjusted, \$527 thousand; 1960, \$795 thousand; 1961, \$500 thousand; 1962, \$500 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	37,676	42,671	44,089
Positions other than permanent.....	510	968	577
Other personnel compensation.....	4,202	4,480	4,469
Total personnel compensation.....	42,388	48,119	49,135
12 Personnel benefits.....	3,200	4,084	4,157
21 Travel and transportation of persons.....	2,317	2,392	2,378
22 Transportation of things.....	517	633	497
23 Rent, communications, and utilities.....	1,131	1,135	1,150
24 Printing and reproduction.....	444	421	418
25 Other services.....	1,661¹	1,737	1,766
26 Supplies and materials.....	1,758	1,978	2,095

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
31 Equipment.....	1,738	2,069	1,918
32 Lands and structures.....	212	555	1,788
42 Insurance claims and indemnities.....	5	4	4
44 Refunds.....	31	31	31
Unvouchered.....	35	50	50
Subtotal.....	55,437	63,208	65,387
Deduct quarters and subsistence charges.....	27	27	27
Total costs.....	55,410	63,181	65,360
Costs financed from obligations of other years, net (-).....		-295	
Obligations incurred for costs of other years, net.....	268		
Total obligations.....	55,677	62,887	65,360

Personnel Summary

Total number of permanent positions.....	6,895	7,109	7,205
Full-time equivalent of other positions.....	151	248	141
Average number of all employees.....	6,522	6,874	6,885
Number of employees at end of year.....	6,772	6,800	6,890
Average GS grade.....	7.4	7.5	7.6
Average GS salary.....	\$5,916	\$6,474	\$6,561

Permanent authorizations:

REFUND OF BOND FORFEITURES BY REFUGEES

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Refund of bond forfeitures by refugees (total costs—obligations) (object class 44).....	15	10	
Financing:			
New obligational authority (appropriation).....	15	10	

Refunds are made under authority of 72 Stat. 375 to certain persons who posted departure bonds with the Attorney General.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Inspection for admission into the United States.....	1,065	1,321	1,322
2. Detention and deportation.....	134	122	123
3. Naturalization.....	50	50	50
4. Border patrol.....	179	35	35
5. Investigating aliens' status.....	24	16	14
6. Immigration and naturalization records.....	1		
7. General administration.....	3	1	1
Total obligations.....	1,456	1,545	1,545

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	10	7	7
Non-Federal sources.....	1,446	1,538	1,538
Total financing.....	1,456	1,545	1,545

Note.—Reimbursements from non-Federal sources above are mainly from transportation lines for overtime services rendered (8 U.S.C. 109c) and expenses of detained aliens (8 U.S.C. 1356).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Positions other than permanent.....	4	1	1
Other personnel compensation.....	1,046	1,308	1,308
Total personnel compensation.....	1,050	1,309	1,309
21 Travel and transportation of persons.....	121	118	118
23 Rent, communications, and utilities.....	2	1	1
24 Printing and reproduction.....	46	50	50
25 Other services.....	11	6	6
26 Supplies and materials.....	5	5	5
31 Equipment.....	221	56	56
Total obligations.....	1,456	1,545	1,545

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]; purchase of not to exceed [twenty-nine (of which] twenty [shall be] for replacement [only] 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 laws 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); [\$43,045,000] \$46,550,000: Provided, That there may be transferred to the Public Health Service such amounts as may be necessary, in the discretion of the Attorney General, for direct expenditure by that Service for medical relief for inmates of Federal penal and correctional institutions. (5 U.S.C. 341e, 341g; 18 U.S.C. 4005, 4007, 4008, 4042, 4082, 4281; Department of Justice Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Custody, care and treatment of prisoners in Federal institutions:			
(a) Custody.....	15,774	17,748	18,021
(b) Subsistence (including farming operations).....	6,085	6,131	6,379
(c) Education and welfare.....	2,866	3,150	3,556
(d) Clothing, allowances, medical expenses, releases, and transfers.....	2,925	3,240	3,408
2. Maintenance and operation of institutions.....	12,261	12,498	12,779
3. Medical services.....	2,068	2,370	2,376
4. General administration.....	1,035	1,388	1,461
Total operating costs.....	43,014	46,525	47,980

FEDERAL PRISON SYSTEM—Continued

Current authorizations—Continued

SALARIES AND EXPENSES, BUREAU OF PRISONS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
5. Unfunded adjustments to total operating costs:			
Depreciation included above (—)	—870	—880	—880
Property transferred in without charge, net (—)	—1,086	—1,000	—1,000
Total operating costs, funded	41,058	44,645	46,100
Capital outlay:			
2. Maintenance and operation of institutions	1,628	1,100	1,250
6. Unfunded adjustment to capital outlay costs: Property transferred in without charge, net (—)	—881	—800	—800
Total capital outlay, funded	747	300	450
Total program costs, funded	41,805	44,945	46,550
7. Relation of costs to obligations: Obligations incurred for costs of other years, net	541		
Total obligations	42,346	44,945	46,550
Financing:			
Unobligated balance lapsing	4		
New obligational authority	42,350	44,945	46,550
New obligational authority:			
Appropriation	41,600	43,045	46,550
Transferred from "Operation and maintenance, Army" (73 Stat. 437)	750		
Appropriation (adjusted)	42,350	43,045	46,550
Proposed supplemental due to pay increases		1,900	

This appropriation will provide for the custody and care of an average of 24,000 prisoners and the maintenance and operation of 30 institutions and the central office. An average of 5,028 employees will be employed with the funds in this appropriation. The medical care of prisoners is provided by the U.S. Public Health Service.

1. *Custody, care, and treatment of prisoners in Federal institutions.*—This activity covers the direct care costs of all prisoners in the Federal Prison System. These include the costs of all food, clothing, education, custodial requirements, welfare services, release transportation, and related personal services. The funds required, exclusive of salary costs, are in direct relation to the estimated number of prisoners expected to be maintained in 1962 which is 24,000 at an estimated cost per man-day of \$0.80. The average daily population for 1960 was 22,604 as compared to 21,891 in 1959. A supplemental estimate for 1961 is anticipated under Proposed for later transmission.

2. *Maintenance and operation of institutions.*—This activity includes administrative expenses, all utility services, operation of motor vehicles, the repair and maintenance of all buildings and facilities, and equipment replacements. The cost of personal services attributable to this activity is also included.

3. *Medical services.*—Funds are allocated to Public Health Service for the cost of medical, psychiatric, and technical services.

7. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects)	2,572	2,824	2,824	2,824
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received)	382	867	867	867
Total selected resources at end of year	2,954	3,691	3,691	3,691
Selected resources at start of year (—)	—2,954	—3,691	—3,691	—3,691
Adjustment of selected resources reported at start of year	—196			
Obligations incurred for costs of other years, net		541		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF PRISONS			
11 Personnel compensation:			
Permanent positions	25,129	27,844	28,927
Positions other than permanent	317	349	356
Other personnel compensation	1,344	1,349	1,255
Total personnel compensation	26,790	29,542	30,538
12 Personnel benefits	1,824	2,261	2,322
21 Travel and transportation of persons	508	450	450
22 Transportation of things	377	250	250
23 Rent, communications, and utilities	1,146	1,160	1,160
24 Printing and reproduction	34	40	40
25 Other services	197	200	200
26 Supplies and materials	8,262	8,462	8,862
31 Equipment	770	325	475
41 Grants, subsidies, and contributions	136	200	200
Subtotal	40,044	42,890	44,497
Deduct quarters and subsistence charges	307	315	323
Total, Bureau of Prisons	39,737	42,575	44,174
ALLOCATION TO PUBLIC HEALTH SERVICE			
11 Personnel compensation:			
Permanent positions	1,867	2,126	2,131
Positions other than permanent	6	6	6
Other personnel compensation	30	33	34
Total personnel compensation	1,903	2,165	2,171
12 Personnel benefits	91	130	130
21 Travel and transportation of persons	21	20	20
22 Transportation of things	38	40	40
41 Grants, subsidies, and contributions	15	15	15
Total, Public Health Service	2,068	2,370	2,376
Total costs	41,805	44,945	46,550
Obligations incurred for costs of other years, net	541		
Total obligations	42,346	44,945	46,550

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
BUREAU OF PRISONS			
Total number of permanent positions	4,719	4,690	4,833
Full-time equivalent of other positions	58	58	58
Average number of all employees	4,510	4,650	4,768
Number of employees at end of year	4,768	4,732	4,875
Average GS grade	7.1	7.1	7.1
Average GS salary	\$5,362	\$5,881	\$5,957
Average salary of ungraded positions	\$6,738	\$6,891	\$6,973

Personal Summary—Continued

BUILDINGS AND FACILITIES

[For completing construction of a maximum security institution on publicly owned land in Marion, Illinois, \$8,875,000.]

For constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account, [\$1,000,000] \$2,350,000: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation: *Provided further*, That not to exceed \$150,000 of this appropriation shall be available for payment to the city of Leavenworth, Kansas, as the Department of Justice's share of the cost of a new sewage disposal plant to serve the United States Penitentiary, Leavenworth, Kansas]. (*Department of Justice Appropriation Act, 1961.*)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO PUBLIC HEALTH SERVICE			
Total number of permanent positions.....	265	265	265
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	242	260	260
Number of employees at end of year.....	246	262	260
Average GS grade.....	8.3	8.5	8.5
Average GS salary.....	\$6,054	\$6,771	\$6,927
Average salary of grades established by act of July 1, 1944 (42 U.S.C. 207).....	\$10,073	\$10,347	\$10,388

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required in 1962	Appropriation required to complete
Program by activities:									
1. Construction:									
(a) Maximum security institution.....	10,000	67	871	3,500	4,000	5,562	1,562		
(b) Powerplant, Lewisburg, Pa.....	1,850	339	775	736					
(c) Powerplant, Chillicothe, Ohio.....	1,200		18	1,000	182	182			
(d) Chapel, Chillicothe, Ohio.....	80		10	70					
(e) Waterline, Ashland, Ky.....	75		75						
(f) Staff housing, various institutions.....	350		97	128	125			125	
(g) Advance planning, medical facility.....	550				400		150	550	
(h) Inmate housing, youth institution.....	325				150		175	325	
(i) Women's unit, Lompoc, Calif.....	100				100			100	
(j) Alcatraz planning and rehabilitation.....	150				150			150	
(k) Chapel, McNeil Island, Wash.....	100				100			100	
(l) Other.....	3,377	1,475	1,058	741	103	103			
2. Repairs and improvements.....	2,769		680	1,089	1,000			1,000	
Total program costs.....	20,926	1,881	3,584	7,264	6,310	5,847	1,887	2,350	
3. Unfunded adjustment to total program costs: Property transferred in (-) without charge, net.....			-48						
Total program costs, funded.....			3,536	7,264	6,310	5,847	1,887	2,350	
4. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....			-197		-4,060				
Obligations incurred for costs of other years, net.....				5,043					
Total obligations.....			3,339	12,307	2,250				
Financing:									
Unobligated balance brought forward.....			-146	-2,432					
Unobligated balance carried forward.....			2,432		100				
New obligational authority (appropriation).....			5,625	9,875	2,350				

1. *Construction.*—The appropriation requested will provide funds for planning, designing, and selecting a site for an additional medical facility and for construction of additions to the physical plants of several institutions.

2. *Repairs and improvements.*—The funds requested will aid in the reduction of the large backlog of needs. A substantial part of the work will be performed by inmate labor.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	303	85	100	200
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	675	719	5,747	1,587
Total selected resources at end of year.....	978	804	5,847	1,787
Selected resources at start of year (-).....		-978	-804	-5,847
Adjustment of selected resources reported at start of year.....		-24		
Costs financed from obligations of other years, net (-).....		-197		-4,060
Obligations incurred for costs of other years, net.....			5,043	

FEDERAL PRISON SYSTEM—Continued

Current authorizations—Continued

BUILDINGS AND FACILITIES—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	231	270	274
Positions other than permanent.....	9	12	12
Other personnel compensation.....	6	8	6
Total personnel compensation.....	246	290	292
12 Personnel benefits.....	16	24	24
32 Lands and structures.....	3,322	6,950	5,994
Total costs.....	3,584	7,264	6,310
Property transferred in (—) without charge, net.....	—48		
Total costs, funded.....	3,536	7,264	6,310
Costs financed from obligations of other years, net (—).....	—197		—4,060
Obligations incurred for costs of other years, net.....		5,043	
Total obligations.....	3,339	12,307	2,250

Personnel Summary

Total number of permanent positions.....	47	46	46
Full-time equivalent of other positions.....	1	2	2
Average number of all employees.....	35	42	42
Number of employees at end of year.....	39	47	47
Average GS grade.....	8.2	8.2	8.2
Average GS salary.....	\$6,233	\$6,712	\$6,780
Average salary of ungraded positions.....	\$6,342	\$6,474	\$6,580

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, [\$3,100,000] \$3,300,000. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Care of U.S. prisoners in non-Federal institutions (total costs—obligations).....	3,270	3,100	3,300
Financing:			
Unobligated balance lapsing.....	30		
New obligational authority (appropriation).....	3,300	3,100	3,300

The Bureau of Prisons contracts with some 700 approved State and local jails for boarding Federal prisoners for short periods of time. Such periods occur before and during trial, while prisoners await transfer to Federal institutions after conviction, and during commitments for short sentences. An average of 3,125 prisoners were boarded at a cost of \$2.85 per man-day in 1960. A supplemental estimate for 1961 is anticipated under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	2	2	2
25 Other services.....	3,252	3,082	3,282
41 Grants, subsidies, and contributions.....	16	16	16
Total obligations.....	3,270	3,100	3,300

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 [1961] 1962 for such corporation, except as hereinafter provided: (Department of Justice Appropriation Act, 1961.)

PRISON INDUSTRIES FUND

This is a wholly owned Government corporation under the Attorney General. A board of six directors appointed by the President controls its policies. Supervision is by the Director of the Bureau of Prisons, who has jurisdiction over industrial enterprises and vocational training programs in Federal penal and correctional institutions. Products manufactured by inmates are sold only to the penal institutions and to other Government agencies.

The corporation is authorized to establish and operate industries in Federal penal and correctional institutions and in disciplinary barracks under jurisdiction of the Department of Defense (18 U.S.C. 4121-4128). The basic objectives of the corporation are stated in the law as follows: "Such forms of employment shall be provided as will give the inmates of all Federal penal and correctional institutions a maximum opportunity to acquire a knowledge and skill in trades and occupations which will provide them with a means of earning a living upon release." In addition, Federal Prison Industries operates a placement service to assist released inmates to secure jobs.

Budget program.—During 1962 a new print shop will start at Lompoc, Calif., and a new furniture refinishing shop will begin operation at Petersburg, Va. There will then be a total of 54 shops and factories at 24 locations. This total includes the 49 establishments at 23 locations operated during 1960, and the 3 started as scheduled during the current year, as follows: a metal equipment factory at Terminal Island, Calif.; a glove factory at Sandstone, Minn.; a pillow factory at Chillicothe, Ohio. The following table indicates the scope of employment and training effort in the total prison program:

	1959 actual	1960 actual	1961 estimate	1962 estimate
Average number of prison inmates.....	21,891	22,604	23,500	24,000
Number of inmates employed full time in industries.....	4,356	4,438	4,800	4,850
Number of inmates for whom vocational training is provided.....	11,489	11,893	12,300	12,400
Number of inmates assisted in job placement.....	1,878	1,734	2,100	2,200
Number of shops and factories.....	54	49	52	54

The trend of expenditures for capital improvements is reflected in the following summary (in thousands of dollars):

Location	CAPITAL EXPENDITURES			Estimated balance to complete
	1960 actual	1961 estimate	1962 estimate	
California, Lompoc.....			20	
Georgia, Atlanta.....	179	500	500	877
Kansas, Fort Leavenworth.....		50	150	100
Kansas, Leavenworth.....	161	133	150	100
Michigan, Milan.....			150	100
Minnesota, Sandstone.....	9	51	200	100
Ohio, Chillicothe.....	139	60	20	
Virginia, Petersburg.....	4	75	100	100
All other buildings and improvements.....	929	238		
Machinery and equipment, various institutions.....	635	685	696	
Total capital expenditures.....	2,056	1,792	1,986	1,377

Operating results.—The corporation has always operated at a profit and is expected to continue to do so. Earnings of the fund pay expenses of the corporation, which include general administration and vocational rehabilitation. These two activities, although financed from fund receipts, are subject to annual appropriation limitations. Earnings in excess of operating requirements are paid into the U.S. Treasury. As of June 30, 1960, the cumulative earnings amounted to \$62.5 million, of which \$19.5 million had been retained as working capital and \$43.0 million had been paid into the Treasury. Earnings are estimated to be \$4.3 million in 1961 and \$4.6 million in 1962. Payments to the Treasury are expected to be \$3.0 million in 1961 and \$3.4 million in 1962.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of buildings and improvements.....	1,421	1,107	1,290
Acquisition of machinery and equipment.....	635	685	696
Purchase of commodities for manufacture and sale.....	17,850	18,201	18,976
Expense.....	7,818	7,938	8,274
Increase in selected working capital.....	98		
Total gross expenditures.....	27,822	27,931	29,236
Receipts from operations (funds provided):			
Proceeds from sale of equipment.....	54		
Revenue.....	29,104	31,240	32,736
Total receipts from operations.....	29,158	31,240	32,736
Budget expenditures.....	-1,336	-3,309	-3,500

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	29,104	31,240	32,736
Expense.....	25,173	26,940	28,100
Net operating income.....	3,931	4,300	4,636
Nonoperating income or loss (-):			
Proceeds from sale of equipment.....	54		
Net book value of assets sold (-).....	-5		
Net gain from sale of equipment.....	49		
Net income for the year.....	3,980	4,300	4,636
Analysis of retained earnings:			
Retained earnings, beginning of year.....	18,497	19,477	20,777
Payment of earnings to Treasury (-).....	-3,000	-3,000	-3,436
Retained earnings, end of year.....	19,477	20,777	21,977

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,627	3,936	4,000
Accounts receivable, net.....	2,665	2,665	2,665
Commodities for sale or manufacture.....	9,838	9,838	9,838
Supplies, deferred charges, etc.....	18	18	18
Buildings and equipment, net.....	10,832	12,023	13,359
Total assets.....	26,980	28,480	29,880
Liabilities:			
Current.....	2,003	2,003	2,003
Government investment:			
Non-interest-bearing capital:			
Start of year.....	5,272	5,500	5,700
Donated assets during year, net.....	228	200	200
End of year.....	5,500	5,700	5,900
Retained earnings.....	19,477	20,777	21,977
Total Government investment.....	24,977	26,477	27,877

Note.—Unpaid undelivered orders are as follows: 1959, \$3,510 thousand; 1960, \$3,537 thousand; 1961, \$3,537 thousand; 1962, \$3,537 thousand.
Accepted orders on hand are as follows: 1959, \$8,727 thousand; 1960, \$9,881 thousand; 1961, \$9,881 thousand; 1962, \$9,881 thousand.

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed **[\$500,000]** \$544,000 of the funds of the corporation shall be available for its administrative expenses, and not to exceed **[\$915,000]** \$1,038,000 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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General administration (excludes depreciation).....	457	534	544
2. Vocational training (excludes depreciation).....	761	979	1,038
Total accrued expenses—costs.....	1,218	1,513	1,582
Financing:			
Unobligated balance lapsing.....	50		
Limitation.....	1,268	1,415	1,582
Proposed increase in limitation due to pay increases.....		98	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
GENERAL ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	339	402	413
Positions other than permanent.....	1	3	4
Other personnel compensation.....	3	1	
Add excess of annual leave earned over leave taken.....		5	3
Total personnel compensation.....	343	411	420

FEDERAL PRISON SYSTEM—Continued

Intragovernmental funds—Continued

FEDERAL PRISON INDUSTRIES, INCORPORATED—Continued

LIMITATION ON ADMINISTRATIVE AND VOCATIONAL TRAINING EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED—CON.

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
GENERAL ADMINISTRATION—Continued			
12 Personnel benefits.....	23	31	32
21 Travel and transportation of persons.....	26	29	29
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	27	28	28
24 Printing and reproduction.....	4	5	5
25 Other services.....	29	24	24
26 Supplies and materials.....	4	4	4
Total, general administration.....	457	534	544
VOCATIONAL TRAINING			
11 Personnel compensation:			
Permanent positions.....	542	732	788
Positions other than permanent.....	39	41	41
Other personnel compensation.....	17	17	14
Add excess of annual leave earned over leave taken.....	5	9	5
Total personnel compensation.....	603	799	848
12 Personnel benefits.....	38	60	61
21 Travel and transportation of persons.....	17	17	18
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	6	6	6
24 Printing and reproduction.....	30	30	32
25 Other services.....	30	30	32
26 Supplies and materials.....	36	36	40
Total vocational training.....	761	979	1,038
Total accrued expenses—costs.....	1,218	1,513	1,582

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
GENERAL ADMINISTRATION			
Total number of permanent positions.....	56	56	56
Average number of all employees.....	49	54	54
Number of employees at end of year.....	52	55	55
Average GS grade.....	8.6	8.8	8.8
Average GS salary.....	\$6,908	\$7,481	\$7,611
VOCATIONAL TRAINING			
Total number of permanent positions.....	109	117	117
Full-time equivalent of other positions.....	7	7	7
Average number of all employees.....	97	115	122
Number of employees at end of year.....	112	127	134
Average GS grade.....	9.1	9.2	9.2
Average GS salary.....	\$6,194	\$6,768	\$6,918

PERSONNEL COMPENSATION NOT CHARGEABLE TO LIMITATION ACCOUNTS

	1960 actual	1961 estimate	1962 estimate
PERSONNEL SUMMARY			
Total number of permanent positions.....	432	439	437
Full-time equivalent of other positions.....	5	3	3
Average number of all employees.....	400	442	440
Number of employees at end of year.....	405	445	443
Average GS grade.....	9.0	9.3	9.4
Average GS salary.....	\$6,695	\$7,402	\$7,550
Average salary of ungraded positions.....	\$6,842	\$7,091	\$7,179

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Custody, care, and treatment of Federal prisoners.....	1,250	1,345	1,345
2. Maintenance and operation of institutions.....	622	655	655
Total program costs—obligations.....	1,872	2,000	2,000
Financing:			
Advances and reimbursements from—			
Federal Prison Industries, Incorporated.....	1,029	1,070	1,070
Other accounts.....	235	276	276
Non-Federal sources (64 Stat. 381).....	608	654	654
Total financing.....	1,872	2,000	2,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	350	351	351
Positions other than permanent.....	270	294	294
Other personnel compensation.....	29	35	35
Total personnel compensation.....	649	680	680
12 Personnel benefits.....	22	35	35
21 Travel and transportation of persons.....	3	3	3
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	358	375	375
25 Other services.....	13	14	14
26 Supplies and materials.....	712	765	765
31 Equipment.....	113	125	125
41 Grants, subsidies, and contributions.....	1	1	1
Total obligations.....	1,872	2,000	2,000

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	67	61	61
Full-time equivalent of other positions.....	53	52	52
Average number of all employees.....	120	113	113
Number of employees at end of year.....	58	58	58
Average GS grade.....	6.5	6.6	6.6
Average GS salary.....	\$5,067	\$5,656	\$5,656

Proposed for later transmission:

SALARIES AND EXPENSES, BUREAU OF PRISONS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Custody, care, and treatment of prisoners in Federal institutions:			
(b) Subsistence (including farming operations).....		116	
(d) Clothing, allowances, medical expenses, releases, and transfers.....		85	
2. Maintenance and operation of institutions.....		83	
Total program costs—obligations.....		284	
Financing:			
New obligational authority (proposed supplemental appropriation).....		284	

Under existing legislation, 1961.—It is anticipated that a supplemental appropriation will be needed to meet esti-

mated costs in excess of currently available funds for the care of prisoners—due to unanticipated increase of 400 in the average population—and for wage-board promotions granted employees engaged in the maintenance and operation of the various institutions.

SUPPORT OF UNITED STATES PRISONERS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Care of U.S. prisoners in non-Federal institutions (total costs—obligations).....		200	
Financing:			
New obligational authority (proposed supplemental appropriation).....		200	

Under existing legislation, 1961.—It is anticipated that a supplemental appropriation will be needed to meet estimated costs in excess of currently available funds for the care of Federal prisoners in non-Federal institutions.

OFFICE OF ALIEN PROPERTY

LIMITATION ON SALARIES AND EXPENSES, OFFICE OF ALIEN PROPERTY

Note.—Pursuant to Attorney General's Order No. 208-60 this limitation is reflected as "Alien property activities" under "Salaries and expenses, general administration," legal activities and general administration.

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, 1961.*)

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall be used to administer any program which is funded in whole or in part from foreign currencies or credits for which a specific dollar appropriation therefor has not been made. (*Departments of State and Justice, the Judiciary, and Related Agencies Appropriation Act, 1961.*)

DEPARTMENT OF LABOR

BUDGET AUTHORIZATIONS AND EXPENDITURES BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses.....	211	1,611	1,759	111	1,675	1,595	1,853	1,583	1,266
Intragovernmental funds:									
Working capital fund.....	211					-26	-43	17	
Advances and reimbursements.....	211					-5	-1		
Total, Office of the Secretary.....		1,611	1,759	111	1,675	1,563	1,809	1,600	1,266
BUREAU OF LABOR-MANAGEMENT REPORTS									
Current authorizations:									
Salaries and expenses.....	211	3,025	5,250	300	6,275	2,536	5,526	6,471	5,975
BUREAU OF INTERNATIONAL LABOR AFFAIRS									
Current authorizations:									
Salaries and expenses.....	211				510			500	500
OFFICE OF THE SOLICITOR									
Current authorizations:									
Salaries and expenses.....	211	2,695	2,706	172	3,616	2,667	2,879	3,540	3,374
BUREAU OF LABOR STANDARDS									
Current authorizations:									
Salaries and expenses.....	211	2,488	2,376	146	2,908	2,307	2,607	2,873	2,642
BUREAU OF VETERANS' REEMPLOYMENT RIGHTS									
Current authorizations:									
Salaries and expenses.....	106	592	594	38	633	577	638	633	583
BUREAU OF APPRENTICESHIP AND TRAINING									
Current authorizations:									
Salaries and expenses.....	211	4,047	4,061	268	4,476	3,949	4,398	4,400	4,152
BUREAU OF EMPLOYMENT SECURITY									
Current authorizations:									
Salaries and expenses.....	211	7,262	7,457			7,147	7,939		
Salaries and expenses (trust fund).....				(479)	(8,338)				
Grants to States for unemployment compensation and employment service administration.....	211	315,819	325,819			324,740	309,141		
Grants to States for unemployment compensation and employment service administration (trust fund).....					¹ (368,000)				
Unemployment compensation for Federal employees and ex-servicemen:									
Other veterans' readjustment benefits.....	102	4,540				4,540			
Central personnel management and employment costs.....	606	126,460	107,000		147,000	127,164	107,000	147,000	146,200
Salaries and expenses, Mexican farm labor program.....	211					1,334	1,307	1,675	
Compliance activities, Mexican farm labor program.....	211	873	1,106	63	1,149	851	1,095	1,187	1,059
Temporary unemployment compensation.....	211					-13,198			
Public enterprise funds:									
Farm labor supply revolving fund.....	211					-2,067	-1,066	-1,187	

¹ Includes \$18,000 thousand to carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
BUREAU OF EMPLOYMENT SECURITY—Continued									
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation:									
Salaries and expenses.....	211			—7,457		—7,457			
Grants to States for unemployment compensation and employment service administration.....	211			—306,895 (7,457)		—306,895			
Salaries and expenses (trust fund).....				² (347,545)					
Grants to States for unemployment compensation and employment service administration (trust fund).....									
Advances to employment security administration account. Unemployment trust fund (revolving fund) (current appropriation).....	211			250,000		36,100	—42,300		
Unemployment compensation for Federal employees and ex-servicemen.....	606			37,000		37,000			
Total, Bureau of Employment Security.....		454,954	441,382	—27,289	148,149	450,511	184,164	106,375	147,259
BUREAU OF EMPLOYEE'S COMPENSATION									
Current authorizations:									
Salaries and expenses.....	606	3,080	3,098	202	3,834	3,056	3,446	3,800	3,749
Employees' compensation claims and expenses.....	606	59,931	62,200		65,500	59,900	62,200	65,500	65,470
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation:									
Salaries and expenses.....	606			152			143	9	
Employees' compensation claims and expenses.....	606			2,000			2,000		
Total, Bureau of Employees' Compensation.....		63,011	65,298	2,354	69,334	62,956	67,789	69,309	69,219
BUREAU OF LABOR STATISTICS									
Current authorizations:									
Salaries and expenses.....	211	10,519	10,519	599	11,842	10,262	11,279	11,712	11,167
Revision of the Consumer Price Index.....	211	230	1,250	72	2,100	155	1,206	2,289	2,098
Intragovernmental funds:									
Advances and reimbursements.....	211					—110	113	79	
Total, Bureau of Labor Statistics.....		10,749	11,769	671	13,942	10,307	12,598	14,080	13,265
WOMEN'S BUREAU									
Current authorizations:									
Salaries and expenses.....	211	509	521	33	578	497	557	586	543
WAGE AND HOUR DIVISION									
Current authorizations:									
Salaries and expenses.....	211	11,489	11,529	732	12,261	11,356	12,266	12,260	11,558
Total new obligational authority and budget expenditures.....		555,170	547,245	—22,464	264,357	549,227	295,231	222,627	260,336
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		555,170	547,245		264,357	549,227	531,765	264,757	260,336
Proposed for later transmission:									
Pay increase supplemental appropriations.....			2,736				2,575	161	
Other: Appropriations.....			—25,200				—239,109	—42,291	
Total new obligational authority and budget expenditures.....		555,170	524,781		264,357	549,227	295,231	222,627	260,336

² Includes \$16,469 thousand to carry out authorizing legislation to be proposed.

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
BUREAU OF EMPLOYMENT SECURITY										
Advances to employment security administration account, Unemployment trust fund (proposed for later transmission).....	211		250,000	250,000		213,900	292,300		36,100	-42,300
Farm labor supply revolving fund.....	211	3,406	2,807	3,003	5,473	3,873	4,190	-2,067	-1,066	-1,187
Total, public enterprise funds.....		3,406	252,807	253,003	5,473	217,773	296,490	-2,067	35,034	-43,487

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Grants to States for unemployment compensation and employment service administration, Bureau of Employment Security.....		9,926		2,246				
Temporary unemployment compensation, Bureau of Employment Security.....	170,715	171,108		797		797		797
Revision of the Consumer Price Index, Bureau of Labor Statistics.....			29	75		191		2
Other.....		4,077		4,572		3,919		3,975
Subtotal.....	170,715	185,111	29	7,690		4,907		4,774
Balances of anticipated pay increase supplementals included above.....						-161		
Total, appropriations.....	170,715	185,111	29	7,690		4,746		4,774
Revolving and management funds:								
Working capital fund, Office of the Secretary.....	-78	112	-91	137	-93	180	-92	163
Advances and reimbursements, Office of the Secretary.....		2		6		7		7
Farm labor supply revolving fund, Bureau of Employment Security.....	1,879	2,629	2,810	3,369	2,224	2,940	1,855	2,607
Advances and reimbursements, Bureau of Labor Statistics.....	60	105	123	193		80		1
Total, revolving and management funds.....	1,861	2,848	2,842	3,706	2,130	3,207	1,763	2,779
Proposed for later transmission:								
Other than pay increase supplementals:								
Appropriations:								
Revolving and management funds: Advances to employment security administration account, Unemployment trust fund, Bureau of Employment Security.....					213,900	213,900	256,200	256,200
Anticipated pay increase supplemental appropriations.....						161		
Total, proposed for later transmission.....					213,900	214,070	256,200	256,200
Total, Department of Labor.....	172,576	187,959	2,871	11,397	216,030	222,023	257,963	263,753

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	555,170	524,781	264,357
Unobligated balances brought forward, start of year.....	172,576	2,871	216,030
Appropriations available in prior years (—).....	—26,325	—27,691	—8,767
Appropriations available from subsequent year.....	27,691	8,767	8,767
Unobligated balances lapsing (—).....	—183,717	—	—
Unobligated balances carried forward, end of year (—).....	—2,871	—216,030	—257,963
Obligations incurred, net	542,524	292,698	222,424
Obligated balances brought forward, start of year.....	15,383	8,526	5,993
Adjustments of obligated balances in expired accounts.....	—154	—	—
Obligated balances carried forward, end of year (—).....	—8,526	—5,993	—5,790
Budget expenditures	549,227	295,231	222,627

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Veterans services and benefits:						
102 Other veterans readjustment benefits.....	4,540	—	—	4,540	—	—
106 Other veterans services and administration.....	592	632	633	577	638	633
Total veterans services and benefits.....	5,132	632	633	5,117	638	633
Labor and welfare:						
211 Labor and manpower.....	360,567	312,497	47,390	353,990	82,804	5,685
General government:						
606 Central personnel management and employment costs.....	189,471	211,652	216,334	190,120	211,789	216,309
Total, Department of Labor.....	555,170	524,781	264,357	549,227	295,231	222,627

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), **[\$1,758,800]** purchase of one passenger motor vehicle for replacement only at not to exceed \$5,000, \$1,675,000, of which not more than **[\$354,860]** 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, 1961.)

Note.—Estimate for 1962 includes \$91 thousand for activities previously carried under "Salaries and expenses, labor-management reporting and disclosure activities, Labor," and excludes \$510 thousand for activities transferred in the estimate to "Salaries and expenses, Bureau of International Labor Affairs." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction.....	457	484	540
2. Management and central services.....	962	1,099	1,135
Total program costs.....	1,419	1,583	1,675
3. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-2		
Total obligations.....	1,416	1,583	1,675
Financing:			
Comparative transfers to other accounts.....	191	287	
Unobligated balance no longer available.....	4		
New obligational authority.....	1,611	1,870	1,675
New obligational authority:			
Appropriation.....	1,611	1,759	1,675
Proposed supplemental due to pay increases.....		111	

1. *Executive direction.*—This Office formulates governmental policy in matters affecting labor and directs all programs or functions assigned to the Department.

2. *Management and central services.*—Program operations are evaluated and central services are provided to all bureaus of the Department and to the Office of the Secretary.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$4 thousand; 1960, \$2 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,129	1,280	1,373
Other personnel compensation.....	9	12	6
Total personnel compensation.....	1,138	1,292	1,379
12 Personnel benefits.....	80	87	95
21 Travel and transportation of persons.....	35	34	46
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	48	50	51
24 Printing and reproduction.....	6	10	11
25 Other services.....	60	65	38
26 Supplies and materials.....	43	42	44
31 Equipment.....	5	2	10
Total obligations.....	1,416	1,583	1,675

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	161	166	180
Average number of all employees.....	148	154	168
Number of employees at end of year.....	156	166	180
Average GS grade.....	8.9	9.0	8.8
Average GS salary.....	\$7,220	\$7,954	\$7,829
Average salary of ungraded positions.....	\$4,285	\$4,638	\$4,638

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are shown in the schedules of the parent appropriations, as follows:
 "Educational exchange fund, payment by Finland, World War I debt," Department of State.
 "International educational exchange activities," Department of State.
 "President's special international program," funds appropriated to the President.
 "Salaries and expenses," Office of Civil and Defense Mobilization.
 "Mutual security—economic," funds appropriated to the President.

Intragovernmental funds:

WORKING CAPITAL FUND

This fund provides 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 distributing equipment and supplies.

Duplicating service consists of offset printing, mimeographing and mailing of publications, bulletins, leaflets, and statistical data.

Visual exhibits consist of preparing displays for public information as well as internal use.

Central accounts and payroll perform the necessary accounting, financial reporting, and payroll functions for the bureaus and offices. This activity was authorized for the first time in 1961.

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 (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Communication service: Expense.....	369	403	403
Central supply:			
Acquisition of equipment.....	1		
Cost of goods sold.....	177	180	180
Other expense.....	152	181	180
Duplicating service:			
Acquisition of equipment.....	9	9	8
Cost of goods sold.....	120	126	126
Other expense.....	325	331	330
Visual exhibits:			
Acquisition of equipment.....	2	2	2
Expense.....	121	138	138
Accounts and payrolls:			
Acquisition of equipment.....		3	2
Expense.....		99	99

OFFICE OF THE SECRETARY—Continued

Intragovernmental funds—Continued

WORKING CAPITAL FUND—Continued

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Con.			
Increase of selected working capital.....			25
Working capital absorbed.....		8	
Total gross expenditures.....	1,276	1,480	1,493
Receipts from operations (funds provided):			
Revenue:			
Communication service.....	373	404	404
Central supply.....	332	363	362
Duplicating service.....	466	474	469
Visual exhibits.....	121	139	139
Accounts and payrolls.....		103	102
Undistributed receipts: Proceeds from sale of equipment.....		1	1
Decrease in selected working capital.....	10	39	
Total receipts from operations.....	1,302	1,522	1,476
Budget expenditures.....	-26	-42	17

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Communication services:			
Revenue.....	373	404	404
Expense.....	370	404	404
Net operating income, communication services.....	3		
Central supply:			
Revenue.....	332	363	362
Expense.....	331	363	362
Net operating income, central supply.....	1		
Duplicating services:			
Revenue.....	466	474	469
Expense.....	465	473	468
Net operating income, duplicating services.....	1	1	1
Visual exhibits:			
Revenue.....	121	139	139
Expense.....	121	139	139
Net operating income or loss (-), visual exhibits.....			
Accounts and payrolls:			
Revenue.....		103	102
Expense.....		103	102
Net operating income or loss (-), ac- counts and payrolls.....			
Nonoperating loss (-), duplicating service:			
Proceeds from sale of equipment.....		1	1
Net book value of assets sold.....		-2	-2
Net loss (-) from sale of equipment.....		-1	-1
Net income for the year.....	5		
Deficit (-), beginning of year.....	-5		
Retained earnings or deficit (-), end of year.....			

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	137	179	162
Supplies.....	69	74	82
Equipment, net.....	88	113	105
Total assets.....	294	366	349
Liabilities:			
Current.....	186	230	213
Government investment:			
Non-interest-bearing capital:			
Start of year.....	85	108	136
Donated assets during year:			
Liabilities assumed.....		-8	
Machinery and equipment.....	23	36	
End of year (total Government investment)	108	136	136

Note.—Unpaid undelivered orders are as follows: 1959, \$44 thousand; 1960, \$45 thousand; 1961, \$45 thousand; 1962, \$43 thousand. Accepted orders on hand are as follows: 1959, \$15 thousand; 1960, \$2 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	637	788	788
Other personnel compensation.....	37	40	36
Add excess of annual leave earned over leave taken.....	1	4	5
Total personnel compensation.....	675	832	829
12 Personnel benefits.....	43	66	66
21 Travel and transportation of persons.....	7	8	8
22 Transportation of things.....	4	4	4
23 Rent, communications, and utilities.....	193	195	195
24 Printing and reproduction.....	34	34	34
25 Other services.....	32	33	34
26 Supplies and materials.....	279	286	286
31 Equipment.....	20	24	19
Total costs.....	1,287	1,482	1,475
Obligations incurred for costs of other years, net.....	92	94	92
Total obligations.....	1,379	1,576	1,567

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	135	161	161
Average number of all employees.....	134	158	159
Number of employees at end of year.....	143	161	161
Average GS grade.....	4.7	4.6	4.6
Average GS salary.....	\$4,696	\$5,026	\$5,026
Average salary of ungraded positions.....	\$4,880	\$4,895	\$4,895

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Special study to obtain compliance with terms of Government contracts:			
Atomic Energy Commission.....	56	66	66
Department of Commerce.....	24	28	28
Department of Defense.....	160	188	188
General Services Administration.....	56	66	66

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. White House Conference on Aging.....	18		
3. Confidential project.....	89	100	100
4. Ryukyuan labor leaders' program, Army.....	21		
5. Labor-management reports activities.....		91	
6. Miscellaneous services to other accounts.....	132	136	136
Total obligations.....	556	674	582
Financing:			
Advances and reimbursements from other accounts.....	557	674	582
Unobligated balance lapsing.....	-1		
Total financing.....	556	674	582

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	304	404	323
Other personnel compensation.....	9	9	7
Total personnel compensation.....	313	413	331
12 Personnel benefits.....	28	27	20
21 Travel and transportation of persons.....	47	47	46
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	11	13	12
24 Printing and reproduction.....	39	46	45
25 Other services.....	86	98	98
26 Supplies and materials.....	6	6	6
31 Equipment.....	24	21	21
Total obligations.....	556	674	582

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	42	54	42
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	42	54	42
Number of employees at end of year.....	37	54	42
Average GS grade.....	8.1	8.1	8.2
Average GS salary.....	\$7,097	\$7,331	\$7,547

BUREAU OF LABOR-MANAGEMENT [REPORTING AND DISCLOSURE ACTIVITIES] REPORTS

SALARIES AND EXPENSES

For expenses necessary for the [performance of the functions vested in the Secretary by the Labor-Management Reporting and Disclosure Act of 1959, \$5,250,000] *Bureau of Labor-Management Reports, \$6,275,000. (73 Stat. 519-546; Departments of Labor, and Health, Education, and Welfare Appropriation Act, 1961.)*

Note.—Estimate for 1962 excludes activities transferred in the estimates as follows (in thousands of dollars):

"Salaries and expenses," Office of Secretary..... 91

"Salaries and expenses," Office of Solicitor..... 447

The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Reports and disclosure.....	975	1,744	1,962
2. Regulations and administrative determinations.....	57	129	323
3. Compliance and enforcement.....	1,294	2,512	3,111
4. Administration and management services.....	300	626	879
Total program costs.....	2,626	5,011	6,275

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	55		
Total obligations.....	2,681	5,011	6,275
Financing:			
Comparative transfers to other accounts.....	327	538	
Unobligated balance lapsing.....	17		
New obligational authority.....	3,025	5,550	6,275
New obligational authority:			
Appropriation.....	3,025	5,250	6,275
Proposed supplemental due to pay increases.....		300	

This appropriation covers activities necessary to the administration and enforcement of the Labor-Management Reporting and Disclosure Act of 1959.

1. *Reports and disclosure.*—Report forms, instructions, and procedures are devised. Reports from labor organizations, union officers and employees, employers and labor relations consultants are examined. Reports are made available to the public. Comprehensive analysis is made of a limited number of reports to determine conformance to the law. It is estimated that 71,000 reports will be filed in 1961 and 74,000 will be filed in 1962. Research is conducted on union structure, procedures, financing, and other aspects of labor-management practices. Technical advice and guidance are provided. Disclosure and technical assistance functions are implemented mainly through regional and area offices.

2. *Regulations and administrative determinations.*—Questions of interpretation are studied; interpretations, and regulations are developed. Rules of procedure are developed for conducting hearings, making determinations, and supervising the conduct of elections. Administrative hearings are conducted and elections are supervised. Investigation reports are reviewed to determine adequacy for civil or criminal litigation. Determinations are prepared of violations cases arising under the trusteeship and election provisions of the Act.

3. *Compliance and enforcement.*—Investigations are conducted of complaints alleging violation of the law. An estimated 2,100 cases will be opened in 1962. Included in the program are special investigations in areas where strong evidence exists of persistent willful violations. Technical assistance is rendered concurrently with investigations. Compliance conferences are held in cases of nonwillful violations. These activities operate principally from the Bureau's field offices.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$55 thousand; 1961, \$55 thousand; 1962, \$55 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,106	3,614	4,585
Positions other than permanent.....	164	176	1
Other personnel compensation.....	285	91	4
Total personnel compensation.....	1,555	3,881	4,590

BUREAU OF LABOR-MANAGEMENT [REPORTING AND DISCLOSURE ACTIVITIES] REPORTS—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	91	277	345
21 Travel and transportation of persons.....	152	361	585
22 Transportation of things.....	12	28	60
23 Rent, communications, and utilities.....	182	77	100
24 Printing and reproduction.....	149	120	250
25 Other services.....	107	165	200
26 Supplies and materials.....	180	65	75
31 Equipment.....	353	37	70
Total obligations.....	2,681	5,011	6,275

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	531	531	596
Full-time equivalent of other positions.....	48	150	-----
Average number of all employees.....	198	508	582
Number of employees at end of year.....	613	532	596
Average GS grade.....	9.4	9.4	9.2
Average GS salary.....	\$7,357	\$7,887	\$7,867

BUREAU OF INTERNATIONAL LABOR AFFAIRS

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the conduct of international labor affairs, \$510,000.

Note.—Estimate is for activities previously carried under "Salaries and expenses," Office of the Secretary. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
International labor affairs (total costs—obligations).....	232	378	510
Financing:			
Comparative transfer from "Salaries and expenses," Office of the Secretary.....	—232	—378	-----
New obligational authority (appropriation).....	-----	-----	510

This Bureau integrates all international labor affairs activities with other agencies and gives departmental guidance to U.S. participation in the International Labor Organization. This Bureau was established by the Secretary's general order No. 64, December 31, 1959, transferring the function out of the Secretary's office.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	198	324	430
Other personnel compensation.....	2	1	-----
Total personnel compensation.....	200	325	430

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	13	24	33
21 Travel and transportation of persons.....	5	9	10
23 Rent, communications, and utilities.....	2	4	6
24 Printing and reproduction.....	3	4	7
25 Other services.....	4	5	8
26 Supplies and materials.....	2	4	6
31 Equipment.....	3	3	10
Total obligations.....	232	378	510

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	23	36	55
Average number of all employees.....	22	35	53
Number of employees at end of year.....	23	36	55
Average GS grade.....	10.7	9.9	8.9
Average GS salary.....	\$8,752	\$9,006	\$7,865

OFFICE OF THE SOLICITOR

Current authorizations:

SALARIES AND EXPENSES

For expenses necessary for the Office of the Solicitor, [\$2,706,300] \$3,616,000. (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. 9 of 1950; Department of Labor Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$447 thousand for activities previously carried under "Salaries and expenses," labor-management reporting and disclosure activities. The amounts obligated in 1960 and 1961 are shown in schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Departmental program activities:			
(a) Litigation.....	335	422	455
(b) Interpretations and legal advisory services.....	316	381	435
(c) Wage determination.....	436	529	579
(d) Legislative advisory services.....	221	216	253
(e) Labor-management laws.....	218	227	266
2. Field legal services (regional offices).....	1,130	1,206	1,225
3. Administration and management services.....	257	345	403
Total program costs.....	2,913	3,326	3,616
4. Relation of costs to obligations: Obligations incurred for cost of other years, net.....	67	-----	-----
Total obligations.....	2,980	3,326	3,616
Financing:			
Comparative transfers from (—) other accounts.....	—285	—447	-----
New obligational authority.....	2,695	2,878	3,616
New obligational authority:			
Appropriation.....	2,695	2,706	3,616
Proposed supplemental due to pay increases.....	-----	172	-----

1. Departmental program activities:

(a) *Litigation.*—This includes direction and supervision of enforcement of Federal labor standards statutes; and the workmen's compensation laws covering Federal employees, employees in the District of Columbia, and the long-

shoremen and harbor workers, through court action and administrative proceedings. The disposition of court cases under the Fair Labor Standards Act for 1960 was as follows:

	1959 actual	1960 actual
Criminal cases.....	126	120
Civil cases.....	1,070	1,141
Walsh-Healey administrative enforcement hearing cases.....	66	50
Total cases closed.....	1,262	1,311
Back wages collected by litigation.....	\$1,551,847	\$1,438,882
Fines in criminal cases.....	\$84,813	\$150,119

(b) *Interpretations and legal advisory services.*—The Office of the Solicitor provides legal interpretations to the departmental officials. During 1960, a total of 35,930 interpretations and opinions were rendered on the laws administered by the Department.

(c) *Wage determinations.*—Predeterminations of prevailing wages to be paid laborers and mechanics on public construction contracts involving the use of Federal funds 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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Wage determinations issued.....	37,134	40,740	44,415	44,500

(d) *Legislative advisory services.*—This provides analyses and reports on legislation and drafts of proposed legislation for the Department.

(e) *Labor-management laws.*—This activity provides legal advisory and litigation services for the Department under the new Labor-Management Reporting and Disclosure Act of 1959.

2. *Field legal services.*—Services rendered at the regional level include interpretations and legal advice to regional officials and to the public on specific request; and the enforcement of the Federal labor standards statutes through court and administrative proceedings.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2 thousand; 1960, \$69 thousand; 1961, \$69 thousand; 1962, \$69 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,331	2,758	2,999
Positions other than permanent.....	12	2	-----
Other personnel compensation.....	35	29	16
Total personnel compensation.....	2,378	2,789	3,015
12 Personnel benefits.....	155	228	242
21 Travel and transportation of persons.....	98	106	107
22 Transportation of things.....	4	3	3
23 Rent, communications, and utilities.....	65	49	57
24 Printing and reproduction.....	32	25	25
25 Other services.....	77	68	72
26 Supplies and materials.....	61	48	50
31 Equipment.....	110	10	45
Total obligations.....	2,980	3,326	3,616

Personnel Summary

Total number of permanent positions.....	367	390	408
Full-time equivalent of other positions.....	1	1	-----
Average number of all employees.....	348	378	401

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Number of employees at end of year.....	346	413	401
Average GS grade.....	8.2	8.3	8.4
Average GS salary.....	\$6,341	\$6,927	\$7,184

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 sections 8 (b) and (c) of the Welfare and Pension Plans Disclosure Act (72 Stat. 997); and not less than **[\$225,000] \$276,000** for the work of the President's Committee on Employment of the Physically Handicapped, as authorized by the Act of July 11, 1949 (63 Stat. 409); **[\$2,376,000] \$2,908,000**: *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. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Improving State labor legislation.....	249	239	229
2. Improving conditions of migratory workers.....	69	70	70
3. Reducing industrial accidents.....	958	1,121	1,333
4. Protecting young workers and advancing their employment opportunities.....	119	124	229
5. Promoting employment of the physically handicapped.....	228	241	276
6. Registration and disclosure of welfare and pension plan data.....	555	570	563
7. Administration and management services.....	243	208	216
8. Registration of labor union data.....	12	-----	-----
Total program costs.....	2,433	2,573	2,916
9. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—60	—44	—1
Total obligations.....	2,373	2,529	2,915
Financing:			
Advances and reimbursements:			
From other accounts.....	—21	—4	—4
From non-Federal sources (5 U.S.C. 140).....	—3	—3	—3
Unobligated balance lapsing.....	139	-----	-----
New obligational authority.....	2,488	2,522	2,908
New obligational authority:			
Appropriation.....	2,488	2,376	2,908
Proposed supplemental due to pay increases.....	-----	146	-----

1. *Improving State labor legislation.*—This is accomplished by assisting and advising States on labor law administration and the enactment of appropriate labor legislation and by negotiating Federal-State agreements to eliminate duplication in inspection. Assistance was

BUREAU OF LABOR STANDARDS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

provided to 50 States and the District of Columbia in 1960 in response to 957 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 42 States on migratory labor matters and assistance given to 26 State committees in 1960.

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 1960, 458 training courses and talks were conducted for 7,420 trainees. Funds are requested to expand maritime safety activities in 1962.

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. Funds are requested in 1962 for development and promotion of programs for preparation of out-of-school youth for work.

5. *Promoting employment of the physically handicapped.*—A continuing program of public information and education is conducted through the President's committee to advance employment of handicapped citizens; cooperation is maintained with all national groups interested in the field, including the governors' committees in the States and 1,500 local committees. Funds are requested in 1962 for the committee to begin a promotional program aimed at increasing job opportunities for the mentally retarded and mentally restored.

6. *Registration and disclosure of welfare and pension plan data.*—Administrators of welfare and pension benefit plans, with some exceptions, are required to file plan descriptions and annual reports with the Secretary of Labor. More than 175,000 original and amended plan descriptions and 125,000 financial reports have been filed.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$129 thousand; 1960, \$69 thousand; 1961, \$25 thousand; 1962, \$24 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,594	1,943	2,207
Positions other than permanent.....	9	15	15
Other personnel compensation.....	14	8	-----
Total personnel compensation.....	1,617	1,966	2,222
12 Personnel benefits.....	104	148	169
21 Travel and transportation of persons.....	118	104	145
22 Transportation of things.....	21	9	11
23 Rent, communications, and utilities.....	56	45	54
24 Printing and reproduction.....	202	133	148
25 Other services.....	34	7	7
Services of other agencies.....	107	71	90
26 Supplies and materials.....	49	33	38

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
31 Equipment.....	65	13	31
Total obligations.....	2,373	2,529	2,915

Personnel Summary

Total number of permanent positions.....	296	290	329
Full-time equivalent of other positions.....	3	2	2
Average number of all employees.....	257	285	322
Number of employees at end of year.....	305	288	325
Average GS grade.....	7.6	7.7	7.9
Average GS salary.....	\$6,308	\$6,859	\$6,868

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), **[\$594,300] \$633,000.** (50 U.S.C. App. 325; Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Promotion of compliance and assistance to veterans.....	455	515	515
2. Administration and management services.....	125	117	118
Total program costs.....	580	632	633
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	11	-----	-----
Total obligations.....	591	632	633
Financing:			
Unobligated balance lapsing.....	1	-----	-----
New obligational authority.....	592	632	633
New obligational authority:			
Appropriation.....	592	594	633
Proposed supplemental due to pay increases.....	-----	38	-----

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Cases:				
On hand, beginning of year.....	2,796	1,840	1,515	1,415
Received.....	9,229	8,791	9,000	9,000
Closed.....	10,185	9,116	9,100	9,000
On hand, end of year.....	1,840	1,515	1,415	1,415

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5 thousand; 1960, \$16 thousand; 1961, \$16 thousand; 1962, \$16 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	415	476	477
Positions other than permanent.....	32	16	16
Other personnel compensation.....	3	2	-----
Total personnel compensation.....	450	494	493
12 Personnel benefits.....	29	37	37
21 Travel and transportation of persons.....	46	43	43
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	20	18	18
24 Printing and reproduction.....	14	18	18
25 Other services.....	6	5	7
26 Supplies and materials.....	13	14	14
31 Equipment.....	11	1	1
Total obligations.....	591	632	633

Personnel Summary

Total number of permanent positions.....	65	64	64
Full-time equivalent of other positions.....	5	2	2
Average number of all employees.....	65	65	65
Number of employees at end of year.....	84	75	75
Average GS grade.....	8.2	8.5	8.5
Average GS salary.....	\$6,940	\$7,623	\$7,623

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), **[\$4,061,000] \$4,476,000.** (*Department of Labor Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Training promotion and service to industry.....	3,426	3,753	3,834
2. Training research and technical services.....	294	317	335
3. Administration and management services.....	275	309	307
Total program costs.....	3,995	4,379	4,476
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—50	-----
Obligations incurred for cost of other years, net.....	52	-----	-----
Total obligations.....	4,047	4,329	4,476
Financing:			
New obligational authority.....	4,047	4,329	4,476
New obligational authority:			
Appropriation.....	4,047	4,061	4,476
Proposed supplemental due to pay increases.....	-----	268	-----

1. *Training promotion and service to industry.*—Management and labor are encouraged and assisted to develop more highly skilled employees through the organization and improvement of programs of apprenticeship and train-

ing. Among 190 thousand plants and other industrial establishments, more than 200 thousand apprentices and other workers are in training. About 1,200 apprenticeship programs and 1,000 training programs are developed and installed annually.

2. *Training research and technical services.*—Information on skill requirements, training needs and technology, and apprenticeship labor standards is provided. Training aids and other techniques designed to increase effectiveness of apprenticeship and training are made available. About 50 pamphlets, articles, and reprints are published annually to call attention to skill needs of various industries, and to describe superior programs.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$8 thousand; 1960, \$60 thousand; 1961, \$10 thousand; 1962, \$10 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,194	3,505	3,572
Other personnel compensation.....	26	14	-----
Total personnel compensation.....	3,220	3,519	3,572
12 Personnel benefits.....	225	272	277
21 Travel and transportation of persons.....	303	307	314
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	102	100	105
24 Printing and reproduction.....	65	32	53
25 Other services.....	20	9	42
Services of other agencies.....	26	29	44
26 Supplies and materials.....	40	46	47
31 Equipment.....	41	10	17
Total obligations.....	4,047	4,329	4,476

Personnel Summary

Total number of permanent positions.....	493	492	502
Average number of all employees.....	471	474	484
Number of employees at end of year.....	488	474	484
Average GS grade.....	8.4	8.4	8.4
Average GS salary.....	\$6,795	\$7,385	\$7,364

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Training manual (Atomic Energy Commission).....	4	17	-----
2. Labor management regulation (Bureau of Labor Management Reports).....	6	-----	-----
Total obligations.....	10	17	-----
Financing:			
Advances and reimbursements from other accounts.....	10	17	-----

Object Classification (in thousands of dollars)

11 Personnel compensation: Positions other than permanent.....	9	15	-----
12 Personnel benefits.....	1	1	-----
21 Travel and transportation of persons.....	-----	1	-----
Total obligations.....	10	17	-----

BUREAU OF EMPLOYMENT SECURITY

As a result of the Social Security Act Amendments of 1960, necessary funds for administration of the employment security program of the Department of Labor and the States will be derived from the newly created Employment Security Administration account in the Unemployment trust fund. Unemployment compensation payments will continue to be made in accordance with State laws through about 1,800 local offices which also provide job placement services and labor market information.

Under this Federal-State system, 100% grants are made by the Bureau of Employment Security in the Department of Labor which is responsible for the proper and efficient administration of the system. Both the grants to States and the expenses of the Bureau of Employment Security for 1960 and previous years have been financed from appropriations out of the general funds of the Treasury.

Under the Federal Unemployment Tax Act, payrolls of employers covered by State law are now subject to a Federal tax of 0.4%. In 1960 and prior years, the revenue from this source was deposited in the Treasury and earmarked for the expenses of the employment security system; any excess of tax receipts over expenses was automatically appropriated to the Unemployment trust fund. Thus, both the receipts from the Federal unemployment tax and the expenditures for administrative costs flowed through the general budget even though these tax receipts could only be used for the employment security program.

The recent amendments to the Social Security Act shifted these earmarked receipts and administrative expenses to the Unemployment trust fund commencing with 1961. Thus, financing of administrative costs will be similar to that applicable to programs of the Bureau of Old-Age and Survivors Insurance, and the Railroad Retirement Board. Since both expenditures and tax receipts were transferred to the trust fund, there is no net effect on the budget surplus or deficit.

The summary table of budget authorizations and expenditures on pages 813-814 and the schedules on pages 824-827 reflect the details of the shift to trust fund financing on new obligational authority and budget expenditures for the Department of Labor. As indicated in these schedules, revised appropriation language will be proposed to the Congress in January to convert the general fund appropriations already made for 1961 to authorizations to spend from the newly created trust account.

Federal Unemployment Tax Act receipts will be received in the Unemployment trust fund after January 1 of each year. In order that funds would be available for administrative expenses during the first half of the fiscal year, the Congress created a revolving fund from which advances, with interest, are authorized to the employment security administration account in the Unemployment trust fund. The detailed schedules for these advances appear on page 831. Generally, these advances will be repaid in the same year in which they are made. However, in 1961, tax receipts will not be sufficient to repay all of the 1961 advances but will be repaid in 1962.

Current authorizations:

LIMITATION ON SALARIES AND EXPENSES (TRUST FUND)

(Trust fund)

For expenses necessary for the general administration of the employment service and unemployment compensation programs, including temporary employment of persons, without regard to

the civil-service laws, for the farm placement migratory labor program; **[\$7,457,000]** not more than \$3,338,000 may be expended from the employment security administration account in the Unemployment trust fund, of which **[\$1,260,000]** \$1,369,000 shall be for carrying into effect the provisions of title IV (except section 602) of the Servicemen's Readjustment Act of 1944. (29 U.S.C. 49-49n; 38 U.S.C. 2001-2014; 42 U.S.C. 501-503, 1361-1371; 74 Stat. 970; Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Veterans placement service.....	1,253	1,342	1,369
2. Farm placement service.....	334	325	367
3. Collection and interpretation of labor market information.....	866	883	955
4. Assistance in maintaining public employment services.....	935	1,005	1,272
5. Unemployment insurance service.....	935	1,045	1,043
6. Field guidance, financing and auditing of State operations.....	2,282	2,648	2,640
7. Administrative and management services.....	666	698	694
Total program costs.....	7,271	7,946	8,340
8. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-10	-10	-2
Total obligations.....	7,261	7,936	8,338
Financing:			
Comparative transfer from (-) appropriation account.....	-7,261		
Limitation.....			8,338
Limitation proposed for later transmission.....		7,457	
Proposed increase in limitation due to pay increases.....		479	

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 assisting workers in finding jobs, assisting employers in recruiting workers, and paying unemployment compensation. Commencing in 1961 the expenses of this program will be paid from the Unemployment trust fund.

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 farm placement programs to assist farmworkers in finding continuous employment to meet agriculture's need for year-round and seasonal workers. In 1962 emphasis will be placed on (a) determining that the agricultural workers are not recruited for work into areas which offer substandard wages and working conditions; (b) evaluating State and local office farm programs with special attention to areas employing foreign agricultural workers; and (c) the impact on the farm labor work force of mechanization and other technological changes.

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. In 1962 emphasis will be placed on program and labor market research directed toward the improvement of employment service operations.

4. *Assistance in maintaining public employment services.*—States are assisted in (a) recruitment and placement of workers in all occupations; (b) interstate recruitment of workers in shortage occupations; and (c) counseling and testing of applicants, including youth, veterans, handicapped, and older workers. In 1962 emphasis will be placed on strengthening local office management and developing improved methods of operation to help the State agencies to ready the national system for serving an economy of growing magnitude and complexity.

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 programs for unemployed Federal employees and ex-servicemen. In 1962, emphasis will be placed on assisting the State agencies in improving their operations in the face of rising claims filing and increased tax collection workloads. In addition, special attention will be paid to analyzing various proposals made in the States for modification of unemployment insurance programs to meet the problem of persistent unemployment.

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.

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$42 thousand; 1960, \$32 thousand; 1961, \$22 thousand; 1962, \$20 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,696	6,354	6,700
Positions other than permanent.....	8	4	4
Other personnel compensation.....	73	45	20
Total personnel compensation.....	5,777	6,403	6,724
12 Personnel benefits.....	397	480	506
21 Travel and transportation of persons.....	441	450	488
22 Transportation of things.....	13	13	13
23 Rent, communications, and utilities.....	163	165	167
24 Printing and reproduction.....	169	182	182
25 Other services.....	79	62	62
Services of other agencies.....	98	84	84
26 Supplies and materials.....	79	78	80
31 Equipment.....	45	19	32
Total obligations.....	7,261	7,936	8,338

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	831	837	878
Average number of all employees.....	792	813	858
Number of employees at end of year.....	796	837	878
Average GS grade.....	8.9	8.9	8.9
Average GS salary.....	\$7,324	\$7,818	\$7,813

[SALARIES AND EXPENSES]

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	7,261		

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance lapsing.....	1		
New obligational authority.....	7,262		
New obligational authority:			
Appropriation.....	7,262	7,457	
Unobligated balance proposed for rescission.....		-7,457	

LIMITATION ON GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION (TRUST FUND)

(Trust fund)

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 Unemployment Compensation Board, including conveyance by the Commissioners of the District of Columbia to the United States of title to the land on which such building is to be situated, 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 XV of the Social Security Act, as amended (68 Stat. 1130), **[\$325,819,000] not more than \$368,000,000 may be expended from the employment security administration account in the Unemployment trust fund, of which \$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.

BUREAU OF EMPLOYMENT SECURITY—Con.

Current authorizations—Continued

LIMITATION ON GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION (TRUST FUND)—Continued

(Trust fund)—Continued

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. (29 U.S.C. 49-49n; 38 U.S.C. 2001-2014; 42 U.S.C. 501-503, 1361-1371; 74 Stat. 970; Department of Labor Appropriation Act, 1961; authorizing legislation to be proposed for 1962.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. State unemployment insurance service.....	174,879	220,805	201,383
2. Federal unemployment insurance service....	7,584	7,507	7,634
3. Employment service.....	99,207	105,607	109,983
4. State administration and management services.....	34,141	32,550	34,000
5. Contingency fund.....			15,000
6. Obligations incurred for programs of other years, net.....	668		
Total obligations.....	316,479	366,469	368,000
Financing:			
Comparative transfers from other accounts....	-316,479		
Limitation available from subsequent year.....		-18,924	-18,924
Limitation available in prior year.....			18,924
Limitation.....			368,000
Limitation proposed for later transmission.....		347,545	

Grants are made to the States for administration of the unemployment compensation and employment service programs. Commencing in 1961, the Social Security Act amendments shift the financing of these grants from the general budget to a newly created trust account within the Unemployment trust fund. Requirements in 1961 are now estimated at \$366,469 thousand. Of this amount, \$18,924 thousand was advanced to the States in June of 1960 for State requirements in July of 1960 from the 1961 appropriation of \$325,819 thousand. The remainder, \$347,545 thousand is proposed as a limitation on expenditures from the new administration account in the Unemployment trust fund.

Since the appropriation was made for 1961, claims for unemployment compensation have been filed at a higher rate than the amount appropriated will finance. An additional \$40,650 thousand is requested to process these additional claims. Of this amount \$24,181 thousand is proposed under existing legislation and \$16,469 thousand under legislation which will be proposed to amend Public Law 86-778, which established a ceiling of \$350 million.

An increase of \$1,531 thousand is requested over the 1961 revised estimate primarily for restoration of the contingency fund, increased tax and auditing workloads, and increases in the average annual salary rate, offset by a reduction for fewer claims to be filed in 1962. The average annual salary rate is expected to rise from \$4,680 in 1961 to \$4,800 in 1962.

1. *State unemployment insurance service.*—State funds are used to make unemployment compensation payments to unemployed workers eligible under State laws. Federal grants in 1960 provided State administrative costs of collecting \$2.2 billion in taxes and paying \$2.4 billion in benefits. Claims filing is expected to decrease in 1962.

STATE UNEMPLOYMENT INSURANCE SERVICE WORKLOADS

Basic workload	(In thousands)			
	1960 actual	Percent change from 1959	1961 estimate	1962 estimate
Employer tax returns processed.....	9,398	+7	9,529	9,900
Employee wage items recorded....	125,408	+5	128,611	133,000
Initial claims taken.....	15,380	-1	19,900	17,300
Continued claims taken.....	83,144	-14	112,300	92,800
Claims processed.....	8,645	+4	11,100	9,700
Benefit payments made.....	72,626	-15	98,300	81,200
Appeals.....	280	-9	390	325

2. *Federal unemployment insurance service.*—Claims filed under the Federal unemployment compensation programs require processing activities similar to those under State laws. The benefit payments are provided under the appropriation Unemployment compensation for Federal employees and ex-servicemen.

3. *Employment service.*—Federal grants finance an employment service for persons seeking jobs and to provide workers for employers who need them. This is accomplished by selecting and referring workers to jobs, providing services to employers in the analysis of jobs and staffing problems, and by counseling and testing services.

EMPLOYMENT SERVICE WORKLOADS

Basic workload	(In thousands)			
	1960 actual	Percent change from 1959	1961 estimate	1962 estimate
Applications for work taken.....	9,599	+2	11,000	10,300
Counseling interviews.....	1,786	+3	1,606	1,701
Individuals tested.....	1,761	+10	1,432	1,601
Placements, nonagricultural.....	6,308	+7	5,828	6,008

4. *State administration and management services.*—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.

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 1960, obligations were increased by \$668 thousand because \$18,924 thousand had been advanced to the States in 1960 from 1961 funds, while only \$18,256 thousand from 1960 funds was advanced to the States in 1959.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF EMPLOYMENT SECURITY			
11 Personnel compensation:			
Permanent positions.....	851	973	974
Positions other than permanent.....	7		
Other personnel compensation.....	9	6	2
Total personnel compensation.....	867	979	976

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
BUREAU OF EMPLOYMENT SECURITY—Continued			
12 Personnel benefits.....	3	10	10
21 Travel and transportation of persons.....	8	8	8
23 Rent, communications, and utilities.....	169	149	149
24 Printing and reproduction.....	65	3	3
25 Other services.....	5	12	12
26 Supplies and materials.....	11	13	13
31 Equipment.....	15	4	4
41 Grants, subsidies, and contributions.....	315,312	365,144	366,781
Total, Bureau of Employment Security.....	316,455	366,322	367,956
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
25 Other services: Services of other agencies.....	24	147	44
Total obligations.....	316,479	366,469	368,000

Personnel Summary

Total number of permanent positions.....	167	177	177
Full-time equivalent of other positions.....	2		
Average number of all employees.....	156	165	165
Number of employees at end of year.....	166	177	177
Average GS grade.....	6.6	6.5	6.5
Average GS salary.....	\$5,470	\$5,914	\$5,914

[GRANTS TO STATES FOR UNEMPLOYMENT COMPENSATION AND EMPLOYMENT SERVICE ADMINISTRATION]

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to trust fund limitation account.....	316,479		
Appropriation available from subsequent year.....	-18,924		
Appropriation available in prior year.....	18,256	18,924	
Unobligated balance lapsing.....	8		
New obligational authority.....	315,819	18,924	
New obligational authority:			
Appropriation.....	315,819	325,819	
Proposed transfer to "Advances to employment security administration account, Unemployment trust fund".....		-250,000	
Unobligated balance proposed for rescission.....		-56,895	
Appropriation (adjusted).....	315,819	18,924	

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES AND EX-SERVICEMEN

For payments to unemployed Federal employees and ex-servicemen, either directly or through payments to States, as authorized by title XV of the Social Security Act, as amended, **[\$107,000,000]** \$147,000,000.

Unemployment compensation for Federal employees and ex-servicemen, next succeeding fiscal year: For making, after May 31 of the current fiscal year, payments to States, as authorized by title XV of the Social Security Act, as amended, such amounts as may be required for payment to unemployed Federal employees and ex-servicemen for the first quarter of the next succeeding fiscal year, and the obligations and expenditures thereunder shall be charged to the appropriation therefor for that fiscal year. (38 U.S.C.

2001-2009; 42 U.S.C. 1361-1371; 74 Stat. 970; Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to Federal employees.....	54,324	45,693	61,365
2. Payments to ex-servicemen.....	78,667	64,181	86,509
3. Payments to Korean veterans.....	4,539		
4. Obligations incurred for programs of other years, net.....	698		
Total program costs—obligations (object class 13).....	138,228	109,874	147,874
Financing:			
Appropriation available from subsequent year.....	-8,767	-8,767	-8,767
Appropriation available in prior year.....	8,069	8,767	8,767
Recovery of prior year obligations.....	-6,530	-2,874	-874
New obligational authority (appropriation).....	131,000	107,000	147,000

Funds are allocated to the States for payment of unemployment compensation to eligible Federal employees and ex-servicemen. Since the appropriation was made for 1961 claims for benefits have been filed at a higher rate than the amount of the appropriation will finance. An additional \$37 million is proposed for later transmission. Workloads shown below for 1961 include those to be financed from the proposed supplemental.

1. *Payments to Federal employees* are made in accordance with the State unemployment compensation laws. The cost of the program will be increased by \$1 million due to a higher average weekly benefit amount.

WORKLOAD STATISTICS

	1960 actual	1961 estimate	1962 estimate
Initial claims taken.....	157,175	165,000	165,000
Weeks compensated.....	1,594,564	1,700,000	1,700,000
Weekly average insured unemployment.....	32,068	34,200	34,200
Average weekly benefits.....	\$32.71	\$34.50	\$35.25

2. *Payments to ex-servicemen* are made in accordance with the State unemployment compensation laws. No change in cost is estimated for 1962.

WORKLOAD STATISTICS

	1960 actual	1961 estimate	1962 estimate
Initial claims taken.....	321,737	345,000	345,000
Weeks compensated.....	2,476,171	2,710,000	2,710,000
Weekly average insured unemployment.....	49,927	55,000	55,000
Average weekly benefits.....	\$30.38	\$31.00	\$31.25

3. *Payments to Korean veterans* who served in the Armed Forces between June 27, 1950, and January 31, 1955 were made to those eligible for unemployment compensation. This program terminated on January 31, 1960.

WORKLOAD STATISTICS

	1960 actual
Initial claims taken.....	19,773
Weeks compensated.....	206,494
Weekly average insured unemployment.....	6,003
Average weekly benefits.....	\$22.82

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 (7 U.S.C. 1461-1468), including temporary employment of persons without regard to the civil-service laws, **[\$1,404,100]** \$1,519,000, which shall be derived by

BUREAU OF EMPLOYMENT SECURITY—Con.**Current authorizations—Continued****SALARIES AND EXPENSES, MEXICAN FARM LABOR PROGRAM—Con.**

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 of the type separately provided for herein. (7 U.S.C. 1461-1468; *International Executive Agreement, Aug. 11, 1951, as amended; Department of Labor Appropriation Act, 1961; authorizing legislation to be proposed for Jan. 1 to June 30, 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Determining Mexican labor requirements.....	67	77	77
2. Supplying Mexican labor.....	1,181	1,330	1,353
3. Administration and management services.....	87	90	92
Total program costs.....	1,335	1,497	1,522
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1	—3
Obligations incurred for costs of other years, net.....	2		
Total obligations.....	1,337	1,496	1,519
Financing:			
Unobligated balance transferred from "Farm labor supply revolving fund":			
Authorized.....	—1,337	—1,404	—1,519
Proposed for pay increases.....		—92	
New obligational authority (appropriation).....			

Mexican agricultural labor is imported for use in areas having a shortage of domestic agricultural workers. All costs, except for Compliance activities, are paid from the Farm labor supply revolving fund. Such costs for supplying a Mexican agricultural worker averaged \$10.41 in 1960 and is estimated to be \$13.04 in 1961 and \$11.84 in 1962. Authorization for this purpose was extended to December 31, 1961 (74 Stat. 934).

1. *Determining Mexican labor requirements.*—The agricultural areas needing Mexican workers and the number of workers required are determined. Farm labor reports are developed, controlled, and analyzed to evaluate the Mexican labor program. Technical assistance is provided the States in the preparation of these reports.

2. *Supplying Mexican labor.*—Workers are recruited in Mexico and transported to centers in the United States where employers contract for their use. In 1960, 427,353 workers were contracted. An estimated 332,000 workers will be contracted in 1961 and 380,000 in 1962. The small reduction in expenses in 1961 and 1962 resulting from contracting fewer workers than in 1960 will be applied to correcting operating deficiencies in reception and recruiting centers.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$2 thousand; 1960, \$4 thousand; 1961, \$3 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	977	1,067	1,085
Positions other than permanent.....	91	151	151
Other personnel compensation.....	54	56	53
Total personnel compensation.....	1,122	1,274	1,289
12 Personnel benefits.....	63	79	80
21 Travel and transportation of persons.....	58	62	68
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	60	58	59
24 Printing and reproduction.....	11	5	5
25 Other services.....	4	3	3
26 Supplies and materials.....	8	8	8
31 Equipment.....	6	2	2
Total obligations.....	1,337	1,496	1,519

Personnel Summary

Total number of permanent positions.....	211	208	210
Full-time equivalent of other positions.....	43	61	61
Average number of all employees.....	237	259	261
Number of employees at end of year.....	263	288	290
Average GS grade.....	5.9	5.8	5.8
Average GS salary.....	\$5,190	\$5,533	\$5,561

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, [**\$1,105,700**] *\$1,149,000*. (7 U.S.C. 1461-1468; *International Executive Agreement, Aug. 11, 1951, as amended; Department of Labor Appropriation Act, 1961; authorizing legislation to be proposed for Jan. 1 to June 30, 1962.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Compliance and employer services (total program costs).....	867	1,173	1,151
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—4	—2
Obligations incurred for cost of other years, net.....	6		
Total obligations.....	873	1,169	1,149
Financing:			
New obligational authority.....	873	1,169	1,149
New obligational authority:			
Appropriation.....	873	1,106	1,149
Proposed supplemental due to pay increases.....		63	

1. *Compliance and employer services.*—Complaints of violations of contracts of Mexican farm laborers are investigated and resolved; inspections are made of transportation, housing, and other facilities furnished Mexican agricultural workers as required by the contract. Author-

ization for this program was extended to December 31, 1961 (74 Stat. 934).

	1960 actual	1961 estimate	1962 estimate
Complaints.....	5,291	5,200	5,200
Housing and facilities inspections.....	9,113	12,000	12,500

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand; 1960, \$7 thousand; 1961, \$3 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	628	863	846
Other personnel compensation.....	4	4	1
Total personnel compensation.....	632	867	847
12 Personnel benefits.....	42	62	62
21 Travel and transportation of persons.....	154	189	189
22 Transportation of things.....	6	7	7
23 Rent, communications, and utilities.....	24	29	29
24 Printing and reproduction.....	1	1	1
25 Other services.....	4	5	5
26 Supplies and materials.....	1	1	1
31 Equipment.....	9	8	8
Total obligations.....	873	1,169	1,149

Personnel Summary

Total number of permanent positions.....	116	145	145
Average number of all employees.....	97	140	137
Number of employees at end of year.....	106	145	145
Average GS grade.....	7.8	7.6	7.6
Average GS salary.....	\$5,896	\$6,151	\$6,151

TEMPORARY UNEMPLOYMENT COMPENSATION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Federal administration (total obligations).....	74		
Financing:			
Unobligated balance brought forward.....	-170,715		
Recovery of prior year obligations.....	-12,867		
Unobligated balance lapsing.....	183,508		
New obligational authority (appropriation).....			

This program expired on June 30, 1959, with a provision for Federal supervision to continue until September 30, 1959, so that the program could be terminated in an orderly manner and assistance would be available to the States for handling appeals which were still in the process of adjudication when the program terminated. Approximately \$13 million of unexpended funds for benefit payments and State administration costs were refunded during 1960.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	66		
12 Personnel benefits.....	4		
21 Travel and transportation of persons.....	4		
Total obligations.....	74		

Personnel Summary

Average number of all employees.....	11		
Number of employees at end of year.....	0		

Public enterprise funds:

FARM LABOR SUPPLY REVOLVING FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Transportation of workers.....	1,495	1,291	1,384
2. Rent and maintenance of premises.....	186	165	165
3. Meals furnished workers.....	701	583	660
4. Medical care.....	610	650	660
5. Other.....	120	93	111
Total operating costs.....	3,112	2,782	2,980
6. Unfunded adjustment to total operating costs: Depreciation included above.....	-41	-46	-50
Total operating costs, funded.....	3,071	2,736	2,930
Capital outlay:			
7. Purchase of equipment.....	76	71	73
Total program costs, funded.....	3,147	2,807	3,003
8. Relation of costs to obligations:			
Costs financed from obligations of other years, net.....		-43	
Obligations incurred for costs of other years, net.....	69		
Total obligations.....	3,216	2,764	3,003
Financing:			
Amounts becoming available:			
Revenue.....	5,473	3,674	4,154
Recovery of prior year obligations.....	10		
Total amounts becoming available.....	5,483	3,674	4,154
Unobligated balance brought forward.....	1,879	2,810	2,223
Total amounts available.....	7,362	6,483	6,377
Unobligated balance transferred to "Salaries and expenses, Mexican farm labor program" (72 Stat. 460).....	-1,337	-1,404	-1,519
Proposed transfer of unobligated balance to "Salaries and expenses, Mexican farm labor program".....		-92	
Unobligated balance carried forward.....	-2,810	-2,223	-1,855
Financing applied to program.....	3,216	2,764	3,003

This fund covers transportation and other costs directly involved in importing Mexican farmworkers (7 U.S.C. 1461-1468). Public Law 86-783, dated September 14, 1960, extends the authority until December 31, 1961.

BUREAU OF EMPLOYMENT SECURITY—Con.**Public enterprise funds—Continued****FARM LABOR SUPPLY REVOLVING FUND—Continued**

Budget program.—The program involves the recruitment, selection, and importation of Mexican workers for agricultural work on farms in the continental United States. Mexican workers recruited and selected by the Mexican Government are sent to three migratory stations in Mexico where they are examined for ability to do farmwork, screened for subversive activities, vaccinated, and transported to five reception centers in the United States where they are X-rayed, examined and treated for disease, and contracted to employers. This requires the establishment and operation of reception centers to provide housing, subsistence, and medical care. An estimated 332 thousand Mexican farmworkers will be imported in 1961 and 380 thousand in 1962.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Unpaid undelivered orders.....	40	71	50	50
Deferred charges.....	130	170	150	150
Supplies.....	107	105	103	103
Total selected resources at end of year.....	277	346	303	303
Selected resources at start of year (—).....	—277	—346	—303	—303
Costs financed from obligations of other years, net.....	—	—	—43	—
Obligations incurred for costs of other years, net.....	—	69	—	—

Financing.—The costs of operating this program are met by fees charged the employer for each worker contracted. On January 1, 1960, the fee for initially contracting a worker was established at \$10 per worker, reduced from \$12. The fee for recontracting a worker was set at \$5, a reduction of \$1.50. The rates provide for the cost of importing workers; and for the serological testing administered by the Public Health Service.

Operating results and financial conditions.—Revenue from operations exceeded expenses by \$1,034 thousand in 1960. Revenue is estimated to be approximately \$604 thousand less than expenses in 1961 and approximately \$345 thousand less in 1962. These deficits will be met by surplus carried over from prior years. Retained earnings as of June 30, 1962, are estimated to be \$2,140 thousand. Earnings are retained to meet future requirements.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of equipment.....	76	71	73
Operating expenses.....	3,071	2,736	2,930
Increase in selected working capital.....	259	—	—
Total gross expenditures.....	3,406	2,807	3,003
Receipts from operations (funds provided):			
Revenue.....	5,473	3,674	4,154
Decrease in selected working capital.....	—	199	36
Total receipts from operations.....	5,473	3,873	4,190
Budget expenditures	—2,067	—1,066	—1,187

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	5,473	3,674	4,154
Expense.....	3,112	2,782	2,980
Net operating income for the year.....	2,361	892	1,174
Analysis of retained earnings:			
Retained earnings, beginning of year.....	2,061	3,089	2,485
Transfer to "Salaries and expenses, Mexican farm labor program," net.....	—1,327	—1,496	—1,519
Prior year adjustment, not affecting working capital.....	—6	—	—
Retained earnings, end of year.....	3,089	2,485	2,140

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	3,369	2,939	2,607
Accounts receivable, net.....	18	11	14
Supplies.....	105	103	103
Deferred charges.....	170	150	150
Land, structures, and equipment, net.....	372	397	420
Total assets.....	4,034	3,600	3,294
Liabilities:			
Current.....	507	677	716
Government investment:			
Non-interest-bearing capital (start and end of year).....	438	438	438
Retained earnings.....	3,089	2,485	2,140
Total Government investment.....	3,527	2,923	2,578

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash.....	2,629	3,369	2,939	2,607
Obligated balance, net:				
Current liabilities.....	757	507	677	716
Unpaid undelivered orders.....	40	71	50	50
Accounts receivable, net, and cash in transit (—).....	—47	—18	—11	—14
Total obligated balance.....	750	560	716	752
Obligated balance.....	1,879	2,810	2,223	1,855

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF EMPLOYMENT SECURITY			
21 Travel and transportation of persons.....	1,495	1,291	1,384
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	159	158	158
24 Printing and reproduction.....	31	25	28
25 Other services.....	141	109	129
Meals.....	702	583	660
26 Supplies and materials.....	13	10	10
31 Equipment.....	69	35	38
Total, Bureau of Employment Security.....	2,611	2,212	2,408
ALLOCATION TO PUBLIC HEALTH SERVICE			
11 Personnel compensation:			
Permanent positions.....	262	288	291
Positions other than permanent.....	59	55	56
Other personnel compensation.....	27	30	29
Total personnel compensation.....	348	373	376

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO PUBLIC HEALTH SERVICE—Continued			
12 Personnel benefits.....	17	18	18
21 Travel and transportation of persons.....	12	13	13
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	3	4	4
25 Other services.....	34	36	35
26 Supplies and materials.....	110	110	108
31 Equipment.....	7	36	36
Total, Public Health Service.....	536	595	595
Total costs.....	3,147	2,807	3,003
Costs financed from obligations of other years, net (-).....		-43	
Obligations incurred for costs of other years, net.....	69		
Total obligations.....	3,216	2,764	3,003

Personnel Summary

ALLOCATION TO PUBLIC HEALTH SERVICE			
Total number of permanent positions.....	60	57	57
Full-time equivalent of other positions.....	20	20	20
Average number of all employees.....	64	72	72
Number of employees at end of year.....	66	69	69
Average GS grade.....	4.8	4.6	4.6
Average GS salary.....	\$5,717	\$5,488	\$5,555

ADVANCES TO EMPLOYMENT SECURITY ADMINISTRATION ACCOUNT, UNEMPLOYMENT TRUST FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Advances for administration (total obligations) (object class 33).....		250,000	250,000
Financing:			
Amounts becoming available:			
Proposed transfer from "Grants to States for unemployment compensation and employment service administration" (appropriation act).....		250,000	
Receipts:			
Repayment of advances.....		211,200	288,800
Interest on advances.....		2,700	3,500
Total amounts becoming available.....		463,900	292,300
Unobligated balance brought forward.....			213,900
Total amounts available.....		463,900	506,200
Unobligated balance carried forward.....		-213,900	-256,200
Financing applied to program.....		250,000	250,000

This fund established by the Employment Security Act of 1960 (74 Stat. 970) makes advances without fiscal year limitation to the employment security administration account in the Unemployment trust fund. The purpose of this fund is to finance the Federal and State administrative costs of the employment security programs on a repayable basis from the beginning of the fiscal year until the Federal unemployment tax receipts become available in February of the same fiscal year.

During the first year of operations the estimated Federal unemployment tax receipts will be about \$38.8 million less than the estimated expenditures. The balance of the fund will be used to finance the program during 1962 until the Federal unemployment tax receipts are received during February 1962.

This fund will be needed until the employment security administration account accumulates a carryover balance of \$250 million for this purpose.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Advances to Unemployment trust fund.....		250,000	250,000
Receipts from operations (funds provided):			
Repayment of advances.....		211,200	288,800
Revenue.....		2,700	3,500
Total receipts from operations.....		213,900	292,300
Budget expenditures.....		36,100	-42,300

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue (net income for the year).....		2,700	3,500
Retained earnings, beginning of year.....			2,700
Retained earnings, end of year.....		2,700	6,200

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....		213,900	256,200
Advances.....		38,800	
Total assets.....		252,700	256,200
Government investment:			
Non-interest-bearing capital:			
Start of year.....			250,000
Proposed transfer of appropriations during year.....		250,000	
End of year.....		250,000	250,000
Retained earnings.....		2,700	6,200
Total Government investment.....		252,700	256,200

Status of Certain Fund Balances (in thousands of dollars)

Unexpended balance: Cash with Treasury (unobligated balance).....		213,900	256,200
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Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. State administration and management services.....	6	6	6
2. Miscellaneous service to other agencies.....	70		
Total obligations.....	76	6	6

BUREAU OF EMPLOYMENT SECURITY—Con.

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from other accounts.....	76	6	6

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Positions other than permanent.....	65		
Other personnel compensation.....	1	6	6
Total personnel compensation.....	66	6	6
12 Personnel benefits.....	4		
24 Printing and reproduction.....	2		
25 Other services.....	4		
Total obligations.....	76	6	6

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	3	1	1
Number of employees at end of year.....	3	1	1
Average GS grade.....	8.0		
Average GS salary.....	\$6,458		

Proposed for later transmission:

UNEMPLOYMENT COMPENSATION FOR FEDERAL EMPLOYEES AND EX-SERVICEMEN

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payments to Federal employees.....		14,672	
2. Payments to ex-servicemen.....		22,328	
Total program costs—obligations.....		37,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		37,000	

Under existing legislation, 1961.—This proposed supplemental appropriation is to provide benefit payments to more unemployed Federal employees and ex-servicemen than can be financed from the 1961 appropriation.

BUREAU OF EMPLOYEES' COMPENSATION

Current authorizations:

SALARIES AND EXPENSES

For necessary administrative expenses and not to exceed \$97,000 \$103,225 for the Employees' Compensation Appeals Board, \$3,098,300 \$3,834,000, together with not to exceed \$51,700 \$55,000 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] 944). (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Disposition of compensation claims:			
(a) Federal employees.....	1,997	2,151	2,641
(b) Longshoremen and harbor workers.....	773	813	851
(c) Administration and management services.....	173	204	208
(d) Administration of War Claims Act.....	26	33	33
2. Appeals from determination of Federal employee claims.....	95	103	103
Total direct program costs.....	3,064	3,305	3,836
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—4	—2
Obligations incurred for costs of other years, net.....	14		
Total direct obligations.....	3,078	3,301	3,834
Reimbursable obligations:			
4. Administration of longshoremen's rehabilitation program.....	51	55	55
Total obligations.....	3,129	3,356	3,889
Financing:			
Advances and reimbursements from non-Federal sources:			
Authorized.....	—51	—52	—55
Proposed increase for pay increases.....		—3	
Unobligated balance lapsing.....	2		
New obligational authority.....	3,080	3,301	3,834
New obligational authority:			
Appropriation.....	3,080	3,098	3,834
Proposed supplemental due to pay increases.....		202	

Note.—Reimbursements from non-Federal sources are for payments from the fund created by section 44 of the Longshoremen's and Harbor Workers' Compensation Act, as amended (33 U.S.C. 944).

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, section 4(c) of the Outer Continental Shelf Lands Act, and the Non-appropriated Fund Instrumentalities Act. A supplemental estimate for 1961 is anticipated for increased costs of administering the Federal Employees Compensation Act Amendments of 1960, the Federal Employees Health Benefits Act of 1959, the Retired Federal Employees Health Benefits Act of 1960, and the Longshoremen's and Harbor Workers' Compensation Act Amendments of 1960.

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 2,400,000 for 1962; on June 30, 1960, cases from prior years requiring further action numbered 42,215; the backlog in investigations was 211 cases.

WORKLOAD

	1960 actual	1961 estimate	1962 estimate
New injuries reported.....	105,070	105,000	105,000
Reopened cases.....	18,075	18,000	18,000
Total.....	123,145	123,000	123,000
Investigations made.....	1,732	1,700	1,700
Open cases, end of year:			
Receiving payment.....	19,927	20,000	20,000
Needing further development.....	22,288	22,000	22,000

(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

	1960 actual	1961 estimate	1962 estimate
New injuries reported.....	59,756	64,000	64,000
Formal hearings completed.....	398	450	450
Informal conferences.....	35,095	38,000	38,000

(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 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

	1960 actual	1961 estimate	1962 estimate
Pending cases, start of year.....	135	132	132
Appeals docketed.....	368	365	365
Appeals closed.....	371	365	365
Pending cases, end of year.....	132	132	132
Hearings held.....	159	150	150
Opinions issued.....	285	280	280

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$14 thousand; 1961, \$10 thousand; 1962, \$8 thousand.

4. *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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	2,422	2,669	2,987
Other personnel compensation.....	150	116	127
Total personnel compensation.....	2,572	2,785	3,114
Direct obligations:			
11 Personnel compensation.....	2,531	2,741	3,070
12 Personnel benefits.....	204	244	282
21 Travel and transportation of persons.....	90	90	100
22 Transportation of things.....	3	3	26
23 Rent, communications, and utilities.....	85	82	169
24 Printing and reproduction.....	41	45	48
25 Other services.....	60	55	60
26 Supplies and materials.....	30	30	38
31 Equipment.....	33	10	41
Total direct obligations.....	3,078	3,301	3,834
Reimbursable obligations:			
11 Personnel compensation.....	41	44	44
12 Personnel benefits.....	3	3	3
21 Travel and transportation of persons.....	5	6	6
23 Rent, communications, and utilities.....	1	1	1
31 Equipment.....		1	1
Total reimbursable obligations.....	51	55	55
Total obligations.....	3,129	3,356	3,889

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	455	455	527
Average number of all employees.....	436	444	511
Number of employees at end of year.....	455	445	513
Average GS grade.....	6.3	6.3	6.3
Average GS salary.....	\$5,459	\$5,933	\$5,752

EMPLOYEES' COMPENSATION CLAIMS AND EXPENSES

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); **[\$62,200,000]** \$65,500,000: *Provided, That, in the adjudication of claims under section 42 of the said Act of 1916, for benefits payable from this appropriation, authority under section 32 of the Act to make rules and regulations shall be construed to include the nature and extent of the proofs and evidence required to establish the right to such benefits without regard to the date of the injury or death for which claim is made. (5 U.S.C. 785; 42 U.S.C. 1701; 50 U.S.C. 2001-3013; Public Law 86-233, 73 Stat. 469; Department of Labor Appropriation Act, 1961.)*

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Federal civilian employees benefits.....	41,778	44,175	47,225
2. Armed forces reservists benefits.....	16,604	16,500	16,300
3. War claims act benefits.....	642	600	600
4. Other benefits.....	907	925	1,375
Total program costs—obligations (object class 42).....	59,931	62,200	65,500
Financing:			
New obligational authority (appropriation).....	59,931	62,200	65,500

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. A supplemental estimate for 1961 is anticipated for the cost of increased benefits authorized by the Federal Employees' Compensation Act Amendments of 1960.

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

BUREAU OF EMPLOYEES' COMPENSATION—Con.

Current authorizations—Continued

EMPLOYEES' COMPENSATION CLAIMS AND EXPENSES—Continued

under this program were transferred from the War claims fund to the general fund of the Treasury in 1957.

WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Long-term cases compensated.....	19,940	19,927	20,000	20,000
New injuries reported.....	101,528	105,070	105,000	105,000
Number of payments.....	413,732	417,326	428,370	427,370

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Disposition of compensation claims (total costs—obligations).....		152	
New obligational authority (proposed supplemental appropriation).....		152	

Under existing legislation, 1961.—A supplemental appropriation is anticipated to cover costs of administering: The Federal Employees' Compensation Act Amendments of 1960 (Public Law 86-767); the Federal Employees' Health Benefits Act of 1959 (Public Law 86-382); the Retired Federal Employees Health Benefits Act (Public Law 86-724); and the Longshoremens and Harbor Workers' Compensation Act Amendments of 1960 (Public Law 86-757).

EMPLOYEES' COMPENSATION CLAIMS AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Federal civilian benefits.....		1,850	
4. All other benefits.....		150	
Total program costs—obligations.....		2,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		2,000	

Under existing legislation, 1961.—A supplemental appropriation is anticipated to provide for the increased benefits authorized by the Federal Employees' Compensation Act Amendments of 1960 (Public Law 86-767).

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 reimburse-

ment to State, Federal, and local agencies and their employees for services rendered, **[\$10,519,000]** \$11,842,000. (29 U.S.C. 2, 7, 181; Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Manpower and employment.....	3,940	4,093	4,699
2. Prices and cost of living.....	1,807	1,944	1,874
3. Wages and industrial relations.....	1,972	2,163	2,288
4. Measurement of productivity.....	452	562	547
5. Industrial hazards.....	268	291	261
6. Foreign labor conditions.....	118	175	174
7. Program staff services.....	676	756	843
8. Administration and management services.....	1,187	1,237	1,170
Total program costs.....	10,420	11,222	11,855
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—104	—13
Obligations incurred for cost of other years, net.....	99		
Total obligations.....	10,520	11,118	11,842
Financing:			
New obligational authority.....	10,520	11,118	11,842
New obligational authority:			
Appropriation.....	10,520	10,519	11,842
Proposed supplemental due to pay increases.....		599	

1. *Manpower and employment.*—The level and trend of nonagricultural employment, hours, earnings, and labor turnover are analyzed. The Bureau also analyzes and publishes the Monthly Report on the Labor Force. In 1962 new programs will provide information on (a) employment by industry for significant occupations, including scientific, engineering, and technical personnel, and (b) on characteristics of unemployed persons. Publications include the Occupational Outlook Handbook, employment and earnings, estimates of manpower requirements and supply, and reviews of long-range employment and labor force trends.

2. *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. Attention will continue to be given to providing price information necessary for improving the national economic accounts.

3. *Wages and industrial relations.*—Information is provided on wages by occupation for 80 major industrial centers, and for about 20 selected major industries; monthly developments in industrial relations, wages, and work stoppages. Annual reports are issued on employer expenditures on wage supplements (fringe benefits). In 1962 a series of comprehensive studies of conditions of employment incorporated in labor-management agreements will be inaugurated.

4. *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. Recent emphasis is on

the development of productivity indexes in greater industrial detail. Studies are issued for labor requirements for selected types of construction.

5. *Industrial hazards.*—Quarterly and annual data are published on industrial injuries, together with an analysis 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.

6. *Foreign labor conditions.*—Summary information on labor in foreign countries is made available, including data on prices, employment, unemployment, wages, labor unit costs, labor law and labor standards, living costs, and current labor developments generally.

7. *Program staff services.*—Bureau policies are established for the maintenance of statistical standards and improvement of statistical methodology. Special economic reports are prepared for the Commissioner, the Secretary, the Council of Economic Advisors, and other Government agencies. Beginning in 1962 analysis will be made of the net effect of U.S. imports and exports on domestic employment. Research and reports are coordinated and publications are planned and edited.

9. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$50 thousand; 1960, \$149 thousand; 1961, \$45 thousand; 1962, \$32 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,236	7,003	7,437
Positions other than permanent.....	261	163	145
Other personnel compensation.....	158	64	37
Total personnel compensation.....	6,655	7,230	7,619
12 Personnel benefits.....	439	541	574
21 Travel and transportation of persons.....	486	481	488
22 Transportation of things.....	14	11	11
23 Rent, communications, and utilities.....	517	507	526
24 Printing and reproduction.....	326	379	361
25 Other services.....	813	718	795
Services of other agencies.....	1,050	1,110	1,323
26 Supplies and materials.....	89	87	91
31 Equipment.....	130	54	54
Total obligations.....	10,520	11,118	11,842

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,114	1,114	1,181
Full-time equivalent of other positions.....	59	39	34
Average number of all employees.....	1,093	1,116	1,176
Number of employees at end of year.....	1,339	1,187	1,246
Average GS grade.....	7.4	7.3	7.3
Average GS salary.....	\$6,037	\$6,507	\$6,490

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, **[\$1,250,000]** \$2,100,000, to remain available until June 30, 1964. (Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Preliminary planning and analysis.....	189		
2. Consumer expenditure and price surveys.....		1,361	2,101
Total program costs.....	189	1,361	2,101
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—10	—1
Obligations incurred for cost of other years, net.....	12		
Total obligations.....	201	1,351	2,100
Financing:			
Unobligated balance brought forward.....		—29	
Unobligated balance carried forward.....	29		
New obligational authority.....	230	1,322	2,100
New obligational authority:			
Appropriation.....	230	1,250	2,100
Proposed supplemental due to pay increases.....		72	

2. *Consumer expenditure and price surveys.*—A revision of the Consumer Price Index based on current patterns of consumer expenditures is underway which will modernize the index to meet the demands for its use in present day domestic, economic, and industrial planning. The revision begun in 1960 will extend over a 5-year period. Expenditure surveys of urban families, begun in 1961, will be completed. Examination of pricing problems anticipated for the revised index and test-pricing will be continued on an expanded basis. Collection of expenditure data from farm and rural nonfarm families will be initiated. Bureau of Labor Statistics will survey rural nonfarm families in metropolitan counties, and the Department of Agriculture will collect data from farm families and rural nonfarm families in nonmetropolitan areas. This phase of the activity will extend over a 2-year period.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$0; 1960, \$12 thousand; 1961, \$2 thousand; 1962, \$1 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Positions other than permanent.....	116	1,018	1,302
Other personnel compensation.....	6		
Total personnel compensation.....	122	1,018	1,302
12 Personnel benefits.....	7	63	82
21 Travel and transportation of persons.....	22	151	189
22 Transportation of things.....	1	3	4
23 Rent, communications, and utilities.....	1	71	71
24 Printing and reproduction.....	12	24	20
25 Other services.....	6	1	407
26 Supplies and materials.....		11	12
31 Equipment.....	30	10	15
Total obligations.....	201	1,351	2,100

Personnel Summary

Average number of all employees.....	23	215	282
Number of employees at end of year.....	124	308	403

BUREAU OF LABOR STATISTICS—Continued

Current authorizations—Continued

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—economic," funds appropriated to the President.
 "Research and development," Office of Civil and Defense Mobilization.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Special economic and statistical studies:			
Atomic Energy Commission	13	3	-----
Department of Agriculture	16	21	-----
Army	5	70	-----
Department of Labor:			
Bureau of Labor Management Re-		43	-----
ports			
Bureau of Labor Standards	36	28	-----
Wage and Hour and Public Contracts			
Divisions	240	231	-----
National Science Foundation	133	247	-----
Navy	6	6	-----
Outdoor Recreation Resources Review		37	-----
Committee			
Office of Public Works Planning, Execu-			
tive Office of the President	9	-----	-----
Veterans Administration	10	10	-----
2. Mechanical tabulating services:			
Department of Labor:			
Bureau of Labor Standards	21	38	-----
Wage and Hour and Public Contracts			
Divisions	23	25	-----
Federal Home Loan Bank Board	21	19	-----
Housing and Home Finance Agency	5	5	-----
3. Miscellaneous services	65	75	-----
Total program costs	603	859	-----
4. Relation of costs to obligations:			
Costs financed from obligations of other			
years, net (—)		—10	-----
Obligations incurred for cost of other			
years, net	5	-----	-----
Total obligations	609	849	-----
Financing:			
Unobligated balance brought forward	60	124	-----
Advances and reimbursements from—			
Other accounts	670	695	-----
Non-Federal sources	25	30	-----
Unobligated balance carried forward	—124	-----	-----
Unobligated balance lapsing	—22	-----	-----
Total financing	609	849	-----

Note.—Includes reimbursements for furnishing statistical data to States, municipalities, labor organizations, private industry, and individuals as authorized in 29 U.S.C. 9.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5 thousand; 1960, \$10 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Positions other than permanent	451	676	-----
Other personnel compensation	5	-----	-----
Total personnel compensation	456	676	-----

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits	29	51	-----
21 Travel and transportation of persons	29	26	-----
23 Rent, communications, and utilities	48	62	-----
24 Printing and reproduction	13	11	-----
25 Other services	15	10	-----
26 Supplies and materials	6	8	-----
31 Equipment	13	5	-----
Total obligations	609	849	-----

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees	83	120	-----
Number of employees at end of year	83	120	-----

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, [\$520,900] \$578,000. (Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Advancement of women's employment op-			
portunities and status	386	435	454
2. Administration and management services	114	124	124
Total program costs	500	559	578
3. Relation of costs to obligations:			
Costs financed from obligations of other			
years, net		—5	-----
Obligations incurred for costs of other			
years, net	9	-----	-----
Total obligations	509	554	578
Financing:			
New obligational authority	509	554	578
New obligational authority:			
Appropriation	509	521	578
Proposed supplemental due to pay increases		33	-----

The addition of 6 million women to the labor force in the 1960's will cause significant changes in the pattern of women's employment. The Bureau analyzes and reports on the factors affecting women's employment and their civil and political status; provides information and advisory services on standards; promotes new employment opportunities for women; encourages training for shortage occupations; and makes information available to counselors, organizations, and agencies working in related fields at both the national and local levels.

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$8 thousand; 1960, \$17 thousand; 1961, \$12 thousand; 1962, \$12 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	371	432	452
Positions other than permanent.....	13		
Other personnel compensation.....	3	1	
Total personnel compensation.....	387	433	452
12 Personnel benefits.....	25	30	32
21 Travel and transportation of persons.....	20	20	20
23 Rent, communications, and utilities.....	15	13	13
24 Printing and reproduction.....	36	35	38
25 Other services.....	16	15	15
26 Supplies and materials.....	7	6	6
31 Equipment.....	3	2	2
Total obligations.....	509	554	578
Personnel Summary			
Total number of permanent positions.....	61	61	64
Full-time equivalent of other positions.....	2		
Average number of all employees.....	58	61	64
Number of employees at end of year.....	65	61	64
Average GS grade.....	8.2	8.3	8.3
Average GS salary.....	\$6,768	\$7,262	\$7,226

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, **[\$11,529,000] \$12,261,000.** (29 U.S.C. 201-219, 251-262, Department of Labor Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Enforcement.....	9,811	10,383	10,359
2. Wage determinations.....	572	697	695
3. Regulations and research.....	629	728	750
4. Administration and management services.....	452	465	464
Total program costs.....	11,464	12,272	12,268
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—11	—7
Obligations incurred for costs of other years, net.....	22		
Total obligations.....	11,487	12,261	12,261
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority.....	11,489	12,261	12,261
New obligational authority:			
Appropriation.....	11,489	11,529	12,261
Proposed supplemental due to pay increases.....		732	

The Division obtains compliance with minimum standards respecting wages, hours, and other employment conditions in industries engaged in interstate commerce

and in certain establishments furnishing goods to the Government.

1. *Enforcement.*—Information media are used to inform employers and employees of their rights and responsibilities under the law. Investigations are made to correct violations and to assist employers in meeting legal requirements and workers in recovering wages due. During 1960 a total of 45,729 establishments were investigated and 186,997 employees were found to be due wages in the amount of \$28,032,314 of which employers have agreed to pay \$13,895,377. The investigation program will continue at about the same level in 1961 and 1962.

2. *Wage determinations.*—During 1961 and 1962 a total of 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 to review all minimum wage rates (less than \$1.00) on these islands biennially. Regulations governing subminimum wages for learners, apprentices, messengers, and handicapped workers are being constantly reexamined. It is estimated that 1,900 applications for subminimum wage certificates will be received in 1961 and 1962, as compared to 2,100 in 1960. The wage determinations program under the Walsh-Healey Act will be conducted at a level of five or six determinations in 1962.

3. *Regulations and research.*—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. 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, was completed in 1960. Further studies will be conducted in 1961 and 1962 to provide current data for reports to the Congress. In addition, during 1962 a pilot study of the economic effects of Public Contracts Act wage determinations will be conducted.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$31 thousand; 1960, \$53 thousand; 1961, \$42 thousand; 1962, \$35 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	8,759	9,552	9,567
Positions other than permanent.....	24	44	44
Other personnel compensation.....	124	80	42
Total personnel compensation.....	8,906	9,676	9,654
12 Personnel benefits.....	608	727	727
21 Travel and transportation of persons.....	897	880	880
22 Transportation of things.....	42	40	40
23 Rent, communications, and utilities.....	231	211	211
24 Printing and reproduction.....	103	114	114
25 Other services.....	180	171	171
Services of other agencies.....	307	321	344
26 Supplies and materials.....	92	96	96
31 Equipment.....	120	25	25
Total obligations.....	11,487	12,261	12,261

POST OFFICE DEPARTMENT

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
Current authorizations:									
Payment for public services.....	514	37,400	49,000	-----	62,700	37,400	49,000	62,700	62,700
Public enterprise funds:									
Contribution to postal fund (current indefinite appropriations)....	514	608,821	565,500	242,239	843,100	487,616	866,479	842,330	837,938
Proposed for later transmission (other than pay increase supplementals):									
Under existing legislation: Transportation, railroad rate increases...	514	-----	-----	30,900	-----	-----	30,130	770	-----
Under proposed legislation: Postal rate increases.....	514	-----	-----	-160,000	-843,100	-----	-160,000	-843,100	-843,100
Total new obligational authority and budget expenditures.....		646,221	614,500	113,139	62,700	525,016	785,609	62,700	57,538
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		646,221	614,500		905,800	525,016	677,632	900,638	900,638
Proposed for later transmission:									
Pay increase supplemental appropriations.....			242,239		-----	-----	237,847	4,392	-----
Other: Appropriations.....			-129,100		-843,100	-----	-129,870	-842,330	-843,100
Total new obligational authority and budget expenditures.....		646,221	727,639		62,700	525,016	785,609	62,700	57,538

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
Postal fund.....	514	3,919,936	4,372,892	4,504,192	3,432,320	3,506,413	3,661,862	487,616	866,479	842,330
Proposed for later transmission:										
Under existing legislation: Transportation, railroad rate increases.....	514	-----	30,130	770	-----	-----	-----	-----	30,130	770
Under proposed legislation: Postal rate increases.....	514	-----	-----	-----	160,000	843,100	-----	-----	-160,000	-843,100
Total, public enterprise funds.....		3,919,936	4,403,022	4,504,962	3,432,320	3,666,413	4,504,962	487,616	736,609	-----

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Revolving and management funds.....	34,354	291,791	7,000	373,404	7,000	310,272	7,000	315,434
Proposed for later transmission:								
Appropriations, other than pay increase supplementals.....						770		
Anticipated pay increase supplemental appropriations.....						4,392		
Total, Post Office Department.....	34,354	291,791	7,000	373,404	7,000	315,434	7,000	315,434

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority.....	646,221	727,639	62,700
Unobligated balances brought forward, start of year.....	34,354	7,000	7,000
Unobligated balances lapsing (-).....	-39,591		
Unobligated balances carried forward, end of year (-).....	-7,000	-7,000	-7,000
Obligations incurred, net.....	633,984	727,639	62,700
Obligated balances brought forward, start of year.....	257,437	366,404	308,434
Obligated balances carried forward, end of year (-).....	-366,404	-308,434	-308,434
Budget expenditures.....	525,016	785,609	62,700

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Commerce, housing, and space technology:						
514 Postal service.....	646,221	727,639	62,700	525,016	785,609	62,700

In keeping with the Postal Policy Act of 1958 (39 U.S.C. 2301) this budget calls for financing out of postal revenue all 1962 postal service obligations except those for public services. Legislative and administrative postal rate increases at an annual rate of \$843 million are required to achieve this goal. The estimates contemplate that the rate increases can be made effective by April 1, 1961, thereby reducing the postal fund deficit for 1961, otherwise projected at \$839 million, by \$160 million.

The Postal Policy Act also provides that the postal fund be reimbursed from the general fund of the Treasury for losses deemed attributable to public service activities as determined by the Congress. The estimate for this purpose of \$63 million for 1962 is based on the interpretations of the law used by the Congress in previous appropriations. Payments for public services were \$37 million in 1960 and \$49 million in 1961.

Mail volume.—It is estimated that mail volume will approximate 68.1 billion pieces in 1962. This is an increase of 3.8% over the 65.6 billion pieces estimated for 1961 and 6.9% over the 63.7 billion pieces handled in 1960.

The 1962 forecast includes 35.3 billion first class letters and cards, 1.5 billion airmail items, 7.9 billion magazines and newspapers, 1 billion parcels, 19.8 billion pieces of advertising circular matter, and 2.6 billion pieces in all other categories of mail. Comparisons of this workload with the actual 1960 volume and that estimated for 1961 appears in the table, Estimated volume of mail and special services, and postal revenue.

Postal obligations.—Obligations for 1962 are estimated to be \$4,436 million, compared with \$4,281 million for 1961 and \$3,874 million for 1960. Congress authorized postal employee pay increases and health benefits, effective early in fiscal 1961, costing \$273 million for fiscal 1961 and \$280 million on a full-year basis. In addition, the Interstate Commerce Commission approved rate increases to the railroads for transporting the mails effective September 1, 1960, totaling \$31 million for fiscal 1961 and \$38 million for a full year. For 1962, the principal causes of the increase in obligations are the increase in mail volume, additional rents under the modernization program, mandatory within-grade salary increases, and the full-year effect of the various legislative and other increases occurring in 1961. Obligations for capital and research activities have been held to approximately the 1961 level approved by the Congress. The average operating obligations per million pieces of mail (excluding

capital and research obligations) are estimated to be approximately \$63 thousand in 1962, or slightly less than the 1961 estimate.

Postal revenue.—Net postal revenue for 1962 is estimated at \$4,436 million, compared to \$3,602 million in 1961 and \$3,277 million in 1960. The revenue increase for 1962 includes \$683 million from the full year effect of postal rate increases commencing April 1, 1961, and the effect of the 3.8% projected increase in the volume of mail.

Postal fund deficit and budget expenditures.—The postal fund deficit is the difference between postal obligations and net postal revenue. Beginning in 1960, postal revenue includes reimbursement from the Treasury for public service losses. A postal fund deficit thus indicates the extent to which postal rates fail to produce sufficient funds to finance postal services after such reimbursement.

Net budget expenditures for the postal service as a whole, on the other hand, include Treasury payments for public service losses as well as net expenditures from the postal fund. The following table shows the principal elements in the postal fund deficit and budget expenditures for 1960 to 1962 (in millions of dollars):

	1960 actual	1961 estimate	1962 estimate
Obligations subject to appropriation:			
Operating obligations.....	3,727	4,151	4,302
Capital and research obligations.....	147	130	134
Net postal revenue:			
Existing legislation (including receipts from public services).....	3,277	3,442	3,593
Proposed rate increases to be effective Apr. 1, 1961.....	-----	160	843
Postal fund deficit.....	597	679	-----
Change in funded working capital.....	-109	58	-----
Net expenditures from postal fund.....	488	737	-----
Payment for public services.....	37	49	63
Budget expenditures for the postal service.....	525	786	63

Amounts for proposed rate increases have been included only in the summary tables and do not appear in the schedules covering the details of revenue and of the postal fund.

Deposit fund.—Money order and postal savings funds entrusted to the postal service are accounted for separately as a deposit fund. Transactions of this fund are excluded from the budget tables and are included instead in part III of this document.

Estimated Volume of Mail and Special Services, and Postal Revenue for 1960, 1961, and 1962

Classification	1960 actual				1961 estimate				1962 estimate			
	Pieces or transactions (thousands)	Postal revenue (thousands)	Percent of increase or decrease (-) over 1959		Pieces or transactions (thousands)	Postal revenue (thousands)	Percent of increase or decrease (-) over 1960		Pieces or transactions (thousands)	Postal revenue (thousands)	Percent of increase or decrease (-) over 1961	
			Units	Revenue			Units	Revenue			Units	Revenue
Domestic mail:												
1st class.....	33,234,810	\$1,500,990	2.98	5.00	34,199,054	\$1,551,880	2.90	3.39	35,292,450	\$1,610,530	3.20	3.78
Airmail.....	1,355,728	156,776	-0.92	2.88	1,322,726	154,812	-2.44	-1.25	1,302,616	157,780	-1.52	1.92
2d class.....	7,534,502	81,191	6.13	17.53	7,565,922	93,952	0.42	15.72	7,779,272	97,807	2.82	4.10
Controlled circulation publications.....	124,679	7,520	-0.76	10.17	125,105	7,562	0.34	0.56	128,917	7,909	3.05	4.59
3d class.....	17,910,207	438,559	5.49	13.08	18,748,136	492,367	4.68	12.27	19,805,155	528,739	5.64	7.39
4th class.....	1,015,922	602,283	-2.13	5.56	990,305	634,241	-2.52	5.31	979,831	636,601	-1.06	0.37
Domestic mail fees.....		13,553		-0.43		14,154		4.43		14,790		4.49
Penalty and official mail.....	1,825,611	82,390	6.08	24.55	1,963,816	98,571	7.57	19.64	2,098,764	112,933	6.87	14.57
Franked mail.....	108,654	3,269	26.15	42.07	131,126	4,500	20.68	37.66	154,000	5,313	17.44	18.07
Free-for-the-blind mail.....	4,577		6.44		4,662		1.86		4,777		2.47	
Total domestic mail and revenue.....	63,114,690	2,886,531	3.99	6.98	65,050,852	3,052,039	3.07	5.73	67,545,782	3,172,402	3.84	3.94
International mail (originating):												
Surface mail.....	365,713	43,971	1.03	2.66	344,283	46,990	-5.86	6.87	344,649	60,310	0.11	28.35
Airmail.....	194,201	45,242	1.70	6.15	204,865	47,735	5.49	5.51	209,569	52,856	2.30	10.73
Mail transit revenue.....		12,752		5.15		13,600		6.65		14,750		8.46
Total international mail and revenue.....	559,914	101,965	1.26	4.49	549,148	108,325	-1.92	6.24	554,218	* 127,916	0.92	18.09
Total volume and revenue from mail.....	63,674,604	2,988,496	3.96	6.89	65,600,000	3,160,364	3.02	5.75	68,100,000	3,300,318	3.81	4.43
Special services:												
Mail connected special services.....	380,293	140,595	-0.37	-1.92	376,873	141,019	-0.90	0.30	373,712	141,269	-0.84	0.18
Money order revenue.....	275,101	* 81,189	-4.55	21.02	266,850	64,510	-3.00	-20.54	258,850	62,430	-3.00	-3.23
Postal savings revenue.....	4,107	7,010	-13.88	-13.29	3,560	4,644	-13.32	-33.75	2,850	2,728	-19.94	-41.26
Box rents.....		28,786		3.26		29,106		1.11		29,762		2.25
Unassignable revenue.....		* 8,177		2.52		8,357		2.20		8,793		5.22
Total revenue from mail and special services.....		3,254,253		6.69		3,408,000		4.72		3,545,300		4.03
Deduct: Expenditures not subject to appropriations:												
Judgments.....		424		153.89		200		-52.83		200		
Stamp-embossed envelope purchases.....		7,571		-12.36		7,500		-0.94		7,500		
Indemnities, claims, etc.....		6,840		10.29		7,300		6.73		7,300		
Total expenditures not subject to appropriations.....		14,835		-1.15		15,000		1.11		15,000		
Net revenue from mail and services.....		3,239,418		6.73		3,393,000		4.74		3,530,300		4.05
Receipts for public services.....		37,400				49,000		31.02		62,700		27.96
Total net postal revenue, existing rates.....		3,276,818		7.96		3,442,000		5.04		3,593,000		4.39
Proposed postal rate increases.....						160,000				843,100		
Total net postal revenue.....		3,276,818		7.96		3,602,000		9.92		4,436,100		23.15

* Includes \$16,576 thousand revenue from overage money orders.

* Includes \$330 thousand of reimbursements available as postal revenue.

* Includes effect of anticipated rate increases amounting to \$11 million for surface mail and \$4 million for airmail.

Reconciliation of Net Postal Revenue to Receipts From Operations

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Total net postal revenue.....	3,276,818	3,602,000	4,436,100
Reimbursable work for others.....	31,148	49,413	53,862
Expenditures not subject to appropriation.....	14,835	15,000	15,000
Decrease in selected working capital.....	108,967		
Adjustment to prior year revenue and obligations, net.....	551		
Receipts from operations.....	3,432,320	3,666,413	4,504,962

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 (39 U.S.C. [270b] 2303), for the loss resulting from the transmission of matter in the mails free of postage or at reduced rates, and for the additional cost of transporting mail by foreign air carriers, [\$49,000,000] \$62,700,000. (Post Office Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Loss on free and preferred rate mail.....	36,550	48,150	61,850
2. Excess rates paid to foreign air carriers....	850	850	850
Total obligations (object class 41).....	37,400	49,000	62,700
Financing:			
New obligational authority (appropriation)...	37,400	49,000	62,700

The Postal Policy Act of 1958 identifies as "public services" certain types of services traditionally rendered by the Post Office Department and provides that the loss thereon should not be considered a charge against users of the mail. An appropriation, to be paid into postal revenue out of the general fund of the Treasury, is requested to cover these losses. This appropriation does not augment the Department's obligating authority, as it is used only for payment into postal revenue.

In developing estimates for public service loss for 1962 the Post Office Department follows the interpretations of the law used by the Congress in making previous appropriations for this purpose. Thus funds now being requested cover (a) the revenue loss from rate concessions on free and preferred-rate mail and (b) excess rates paid to foreign air carriers as a matter of public policy. The amounts appropriated become the statutory public service losses which are excluded from any postal deficit.

Public enterprise funds:

CONTRIBUTION TO THE POSTAL FUND

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 current fiscal year, as authorized by law (39 U.S.C. [786, 794a] 2201, 2202), 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: (Post Office Department Appropriation Act, 1961.)

POSTAL FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration, regional operation, and research:			
Operating.....	66,303	74,411	76,850
Contract research, development, and engineering.....	15,831	9,960	11,950
Total.....	82,134	84,371	88,800
2. Operations.....	3,004,980	3,354,441	3,452,000
3. Transportation.....	532,784	579,600	605,600
4. Facilities.....	122,650	142,100	167,700

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
5. Plant and equipment (capital).....	131,405	120,127	122,000
Total obligations subject to appropriation.....	3,873,953	4,280,639	4,436,100
Postal operations not subject to annual appropriation:			
1. Purchase of stamp-embossed envelopes.....	7,571	7,500	7,500
2. Indemnities, claims, etc.....	6,840	7,300	7,300
3. Judgments.....	424	200	200
Total obligations not subject to annual appropriations.....	14,835	15,000	15,000
Reimbursable work for others:			
1. Administration, regional operation, and research.....	8	8	8
2. Operations.....	1,969	1,964	1,965
3. Transportation.....	23,060	35,395	38,900
4. Facilities.....	5,619	11,516	12,516
5. Plant and equipment (capital).....	492	530	473
Total reimbursable work for others.....	31,148	49,413	53,862
Total obligations.....	3,919,936	4,345,052	4,504,962
Financing:			
Amounts becoming available:			
Revenue from mail and services:			
Sale of postage stamps and stamped paper.....	1,244,909	1,269,844	1,292,280
Postage paid under permit:			
Metered (less refunds of postage).....	1,382,985	1,458,354	1,525,375
Nonmetered.....	401,890	456,514	490,936
Receipts from other Government agencies for mail and other postal services.....	85,869	103,071	118,246
Box rent.....	28,786	29,106	29,762
Money order fees and related revenues.....	81,189	64,510	62,430
Income from postal savings system.....	6,978	4,644	2,728
International mail transit service.....	12,740	13,600	14,750
Miscellaneous revenue.....	8,578	8,357	8,793
Total revenue from mail and services.....	3,253,924	3,408,000	3,545,300
Reimbursements available as postal revenue.....	330		
Receipts from appropriation "Payment for public services".....	37,400	49,000	62,700
Total revenue and receipts.....	3,291,654	3,457,000	3,608,000
Advances and reimbursements from—			
Federal departments and agencies.....	25,489	37,808	41,314
Non-Federal sources.....	5,659	11,605	12,548
Total amounts becoming available.....	3,322,802	3,506,413	3,661,862
Postal fund deficit.....	597,135	838,639	843,100
Unobligated balance brought forward:			
For return to Treasury.....	-27,354		
Principal of Air carriers revolving fund.....	-7,000	-7,000	-7,000
Adjustment to prior year obligations and revenue, net.....	-551		
Balance no longer available (repayment to Treasury for unused portion of prior year appropriations).....	27,905		
Unobligated balance lapsing:			
Current appropriation.....	11,356		
Reimbursements.....	330		
Unobligated balance carried forward: Principal of Air carriers revolving fund.....	7,000	7,000	7,000
New obligational authority.....	608,821	838,639	843,100
New obligational authority:			
Appropriation.....	608,821	565,500	843,100
Proposed for later transmission:			
Pay increases.....		242,239	
Railroad rate increase.....		30,900	

CURRENT AUTHORIZATIONS OUT OF GENERAL FUND—Continued

Public enterprise funds—Continued

POSTAL FUND—Continued

Revenue from mail and other services of the Post Office Department is placed in the postal fund, which was established as a revolving fund in 1950 (39 U.S.C. 2202). The fund is available for obligation and expenditure by the Post Office Department in accordance with limitations established in appropriation accounts (often referred to as appropriations out of the postal fund). The fund is also used without annual action by Congress for purchase of stamp-embossed envelopes and for payment of certain indemnities, claims, and judgments.

Postal revenue comes primarily from private postal patrons. Postal revenue also includes receipts from various Federal agencies for the handling of official mail and payment from the Treasury for statutory public service losses as previously stated. Reimbursements for certain nonpostal services and other recoveries are applied directly against the related costs and are not reported as revenue.

The aggregate of postal revenue has 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 any difference. The effect of a proposed rate increase on this appropriation is described elsewhere.

Sources and Application of Funds (Operations) (in thousands of dollars)*

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied—obligation basis):			
Operation program:			
Postal operations: Expense:			
Subject to appropriation.....	3,726,717	4,150,552	4,302,150
Not subject to appropriation.....	14,835	15,000	15,000
Total postal operations.....	3,741,552	4,165,552	4,317,150
Reimbursable work for others.....	30,656	48,883	53,389
Total operations program.....	3,772,208	4,214,435	4,370,539
Capital and research programs:			
Appropriation:			
Administration, regional operation, and research.....	15,831	9,960	11,950
Plant and equipment.....	131,405	120,127	122,000
Expenditures out of reimbursements.....	492	530	473
Total capital and research programs.....	147,728	130,617	134,423
Increase in selected working capital.....		57,970	
Total funds applied.....	3,919,936	4,403,022	4,504,962
Receipts from operations (funds provided):			
Total revenue from mail and services.....	3,253,924	3,408,000	3,545,300
Reimbursements available as postal revenue.....	330		
Payment from appropriation "Payment for public services".....	37,400	49,000	62,700
Reimbursements for work for others:			
Federal departments and agencies.....	25,489	37,808	41,314
Non-Federal sources.....	5,659	11,605	12,548
Adjustments to prior year revenues and obligations, net.....	551		
Total gross postal revenue and receipts.....	3,323,353	3,506,413	3,661,862
Decrease in selected working capital.....	108,967		
Total receipts from operations.....	3,432,320	3,506,413	3,661,862
Budget expenditures.....	487,616	896,609	843,100

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Current assets:			
Cash with Treasury, commercial banks, on hand, and in transit.....	373,404	315,434	315,434
Accounts receivable, net.....	153,506	53,000	53,000
Advances to General Services Administration for repairs and improvements, and other advances.....	28,409	28,000	28,000
Total assets.....	455,319	396,434	396,434
Liabilities:²			
Liabilities (including deferred and undistributed credits—obligation basis).....	448,319	389,434	389,434
Equity of U.S. Government:			
Postal fund equity beginning of year.....	27,354		
Advances:			
General fund appropriation (indefinite)....	608,821	838,639	843,100
Postal fund deficit.....	-597,135	-838,639	-843,100
Adjustment to prior year revenue, net.....	551		
Balance returned to Treasury and lapsing.....	-39,591		
Air carriers revolving fund.....	7,000	7,000	7,000
Total equity end of year.....	7,000	7,000	7,000

¹ Does not include contingent receivables based on contested CAB orders in the amount of \$9.8 million on June 30, 1960.

² Liabilities do not include: (1) undetermined amounts of postage in the hands of the public which, for practical considerations, have been accounted for as revenue when sold and (2) the following contingent and future obligations which by law the Department may not fund or account for as obligations until payments are due: contingent liabilities for pending suits and damage claims of \$24.4 million on June 30, 1960, a substantial portion of which are expected either to be settled at less than the amount claimed or disallowed; unpaid balances under lease-purchase contracts of \$7.6 million on June 30, 1960; and undetermined amounts for employees' accrued leave and long-term leases.

Status of Postal Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash.....	291,791	373,404	315,434	315,434
Obligated balances, net:				
Liabilities (including deferred and undistributed credits) (obligation basis).....	323,337	448,319	389,434	389,434
Accounts receivable, net, advances, and deferred charges (-).....	-65,899	-81,915	-81,000	-81,000
Total obligated balance.....	257,437	366,404	308,434	308,434
Unobligated balance.....	34,354	7,000	7,000	7,000
Distribution of unobligated balance:				
For return to Treasury.....	27,354			
Principal of Air carriers revolving fund.....	7,000	7,000	7,000	7,000

Proposed for later transmission:

POSTAL RATE INCREASE

Under proposed legislation, 1961.—Legislation will be proposed which, along with administrative action, will increase revenue by \$160 million in 1961 and \$843.1 million in 1962.

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 [made as a result of changes in plans] 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 \$20,000 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; [\$73,300,000] \$88,800,000. (5 U.S.C. 22, 22a, 30g, 43, 61g, 73b-3, 87c, 133z-15, 150, 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, 2301-2319, 3001-3014; 6 U.S.C. 14; 12 U.S.C. 391; 28 U.S.C. 1346, 2671, 2672, 2677; 31 U.S.C. 22a, 82a-1, 82a-2, 695, 725; 39 U.S.C. 1, 301, 302, 304-309, 501, 502, 504-509, 701, 702, 903, 905, 2001-2006, 2202, 2204, 2206-2208, 2211, 2302, 2304, 2331, 2401, 2403, 2409, 2411, 2501-2508, 3101, 3105, 3301, 3311, 3335, 3501, 3502, 3511-3542, 3551-3576, 5001, 5005-5007, 5011, 5101-5103, 5206, 5208, 6403; Act of July 1, 1960, 74 Stat. 296; Act of July 14, 1960, 74 Stat. 554; Post Office Department Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$8,767,000 for activities previously carried under "Modernization and improvement of buildings and equipment." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction and administration.....	16,855	18,604	19,560
2. Field inspection service.....	13,887	15,528	16,300
3. Contract research, development, and engineering.....	15,831	9,960	11,950
4. Regional operation.....	35,561	40,279	40,990
Total obligations.....	82,134	84,371	88,800
Financing:			
Comparative transfers from (—) other accounts.....	—11,364	—6,451	-----
Unobligated balance lapsing.....	805	-----	-----
New authority.....	71,575	77,920	88,800
New authority:			
Appropriation.....	71,750	73,300	88,800
Transferred (73 Stat. 69) from—			
"Operations".....	1,300	-----	-----
"Facilities".....	325	-----	-----
Transferred (73 Stat. 69) to "Transportation".....	—1,800	-----	-----
Appropriation (adjusted).....	71,575	73,300	88,800
Proposed supplemental due to pay increases.....	-----	4,620	-----

The request for this appropriation is \$88.8 million, an increase of \$4.4 million compared with obligations for 1961 and \$6.7 million over 1960 obligations.

Two basic changes are proposed in this appropriation for 1962: (1) All personnel now paid from the appropriation Modernization and improvement of buildings and equipment will be transferred to this appropriation in 1962, and (2) contract research, development, and engineering currently carried in the Modernization and improvement of buildings and equipment appropriation will be merged with the corresponding activities in this appropriation.

1. *Executive direction and administration.*—This activity provides for the overall direction and administration of the postal service, including all offices and bureaus at

Washington headquarters, the headquarters engineering and modernization staffs, the field personnel of the internal audit division, and the money order center at Kansas City. The estimate for 1962 proposes increases in the administration and modernization staffs, and a reduction in the money order center.

This activity also includes claims settled administratively under the Federal Tort Claims Act, the payment of compromise settlements and damage suits, and for 1960 and 1962, 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, prevention and detection of mail loss and mistreatment and of losses of Government funds and property, field audit of all postmasters' accounts, personnel security and suitability investigations, and special surveys and investigations.

3. *Contract research, development, and engineering.*—An industrial research and engineering program for the Postal Establishment is carried on. This includes (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) the recommendation of 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. Research, development, and engineering funds for the accelerated program of modernizing the postal plant are now included in this activity.

4. *Regional operation.*—There are 15 regional offices which direct and take final action on all aspects of postal management—personnel, operations, transportation, finance, engineering, modernization, equipment, supplies, and facilities within each region—except for specific areas primarily involving policy and technical guidance reserved to the bureaus and offices at headquarters.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	54,215	61,619	63,262
Positions other than permanent.....	210	190	190
Other personnel compensation.....	1,002	919	792
Total personnel compensation.....	55,427	62,728	64,244
12 Personnel benefits.....	3,726	4,681	4,787
21 Travel and transportation of persons.....	3,952	4,153	4,412
22 Transportation of things.....	96	103	94
23 Rent, communications, and utilities.....	250	303	334
24 Printing and reproduction.....	98	70	70
25 Other services.....	4,122	3,284	3,173
26 Supplies and materials.....	244	219	191
31 Equipment.....	12,602	7,055	9,550
42 Insurance claims and indemnities.....	1,617	1,775	1,945
Total obligations.....	82,134	84,371	88,800

Personnel Summary

Total number of permanent positions.....	8,056	8,196	8,212
Full-time equivalent of other positions.....	46	43	43
Average number of all employees.....	8,042	8,293	8,304
Number of employees at end of year.....	8,056	8,196	8,212
Average GS grade.....	8.6	9.0	9.0
Average GS salary.....	\$7,197	\$8,069	\$8,174
Average postal field service level.....	4.5	4.5	4.5
Average postal field service salary.....	\$5,035	\$5,463	\$5,482
Average salary of ungraded positions.....	\$4,413	\$4,858	\$4,922

CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

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 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; **[\$3,117,500,000]** **\$3,452,000,000**: *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 \$1,000,000 as a result of such transfers: *Provided further*, That functions financed by the appropriations available to the Post Office Department for the current fiscal year and the amounts appropriated therefor, may be transferred, in addition to the appropriation transfers otherwise authorized in this Act and with the approval of the Bureau of the Budget, between such appropriations to the extent necessary to improve administration and operations: *Provided further*, That Federal Reserve banks and branches may be reimbursed for expenditures as fiscal agents of the United States on account of Post Office Department operations. (5 U.S.C. 22a, 30g, 30r, 43, 61g, 73b-3, 87c, 133z-15, 150, 836-840, 922, 944, 2061-2066, 2091-2103, 2121-2123, 2131-2133, 2181-2185, 2301-2319, 3001-3014; 6 U.S.C. 14; 26 U.S.C. 4081; 31 U.S.C. 22a, 82a-1, 82a-2; 39 U.S.C. 1, 301, 309, 501, 701-710, 2006, 2008, 2011, 2101, 2202, 2304, 2331, 2501-2510, 3101, 3105, 3301, 3302, 3315, 3333, 3335, 3336, 3501-3582, 4251, 4301, 4302, 4351, 4421, 4451, 4551, 5001, 5006, 5007, 5101, 5102, 5103, 6001-6009, 6105, 6106, 6351, 6404, 6440; Act of July 1, 1960, 74 Stat. 296; Post Office Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration of postal installations.....	384,770	427,745	438,344
2. Mail handling and window service.....	1,348,496	1,503,144	1,545,053
3. Collection and delivery service.....	1,130,572	1,262,402	1,295,780
4. Custodial service.....	86,085	97,865	104,269
5. Vehicle service.....	55,057	63,285	68,554
Total obligations.....	3,004,980	3,354,441	3,452,000
Financing:			
Unobligated balance lapsing.....	3,220		
New authority.....	3,008,200	3,354,441	3,452,000
New authority:			
Appropriation.....	3,003,000	3,117,500	3,452,000
Transferred (73 Stat. 69) from—			
"Facilities".....	7,400		
"Postal modernization".....	800		
Transferred to—			
"Administration, regional operation, and Research" (73 Stat. 69).....	-1,300		
"Transportation" (73 Stat. 69).....	-1,700		
"Facilities" (74 Stat. 288).....		-100	
Appropriation (adjusted).....	3,008,200	3,117,400	3,452,000
Proposed supplemental due to pay increases.....		237,041	

The funds provided in this appropriation pay for the operation of post offices, stations, and branches; for the operation and maintenance of vehicles used in the collection and delivery of mail; and for the handling of mail en route. The amount requested is \$3.452 billion, an increase of \$97.559 million over 1961. The increase is due primarily to the estimated increase in volume of mail to be handled, the continued expansion of city delivery

service, and the carryover cost of the pay increase and health benefits legislation which became effective July 9, 1960.

1. *Administration of postal installations.*—This activity is for the local management and supervision of post offices and their stations and branches, distribution of mail in transit, railway mail terminals, airmail transfer offices, truck terminals, and vehicle maintenance and repair facilities. The employees included in this activity are postmasters, assistant postmasters, supervisors, and technical personnel. 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, over financial and related postal services, and over the operation of stations and branches of the main post office and terminals. They also provide supervision over the dispatch, scheduling, repair, and maintenance of vehicles used in the collection, delivery, and transportation of mail. Technical personnel consist primarily of chief accountants; station examiners; and medical, safety, and personnel officers.

NUMBER OF POST OFFICES BY CLASSES—AS OF JUNE 30

	1958 actual	1959 actual	1960 actual	1961 estimate	1962 estimate
1st class.....	3,750	3,896	3,988	4,052	4,122
2d class.....	6,647	6,666	6,665	6,711	6,764
3d class.....	13,120	13,156	13,082	13,070	13,090
4th class.....	12,791	12,032	11,503	10,995	10,530
Total post offices.....	36,308	35,750	35,238	34,828	34,506
Stations and branches.....	8,496	8,865	9,362	9,887	10,422
Total.....	44,804	44,615	44,600	44,715	44,928

2. *Mail handling and window service.*—The service provided under this activity includes the separation and distribution of mail at post offices, stations, branches, and other postal units and on highway and railway post offices. It also includes the rendering of window service to the public, operation of contract stations, dispatch control of vehicles, and reimbursement to Federal Reserve banks for handling direct deposits of postmasters and processing paid money orders. The employees paid under this activity are postal clerks, mail handlers, and vehicle fleet administrative clerks. It is expected that continued benefits from the mechanization program, from the work measurement system, and from additional service facility improvements will enable the increase of 3.8% in mail volume to be handled with an increase of only 2.6% in manpower in this activity.

The following table shows a comparison of clerical employment and workload. The extra leap year day in 1960 has been excluded from the data for comparability.

	Man-years	Mail volume (millions)	Average pieces per man-year
1958.....	251,433	60,130	239,149
1959.....	254,359	61,247	240,790
1960.....	261,403	63,484	242,859
1961 (estimate).....	267,705	65,600	245,046
1962 (estimate).....	274,665	68,100	247,938

3. *Collection and delivery service.*—This service provides for delivery of mail to residences and business places in cities and their suburbs, collection of mail from street letter boxes and other collection boxes in these areas, delivery of mail on rural routes, and delivery of special delivery articles. This service also includes the local pickup and delivery of mail between stations and the post

office and other installations. The tables below, for purposes of comparability, exclude the extra leap year day in 1960.

CITY DELIVERY CARRIERS

[Excludes motor vehicle drivers]

	Man-years worked	Number of possible stops (thousands)	Possible stops per man-year worked
1959.....	135,435	34,017	251.2
1960.....	139,856	35,138	251.2
1961 (estimate).....	144,637	36,368	251.4
1962 (estimate).....	148,263	37,641	253.9

SPECIAL DELIVERY MESSENGERS

	Man-years	Number of special delivery articles (thousands)	Pieces per man-year
1959.....	5,322	92,831	17,443
1960.....	5,402	91,796	16,993
1961 (estimate).....	5,485	93,245	17,000
1962 (estimate).....	5,569	94,673	17,000

RURAL CARRIERS

	Man-years	Number of routes, June 30	Average length of routes (miles)
1958.....	35,799	31,465	51.4
1959.....	35,432	31,377	55.3
1960.....	35,668	31,379	56.4
1961 (estimate).....	35,673	31,384	57.9
1962 (estimate).....	35,702	31,392	59.3

4. *Custodial service.*—This activity provides for routine maintenance, protection, and cleaning of Government-owned buildings and leased premises housing postal facilities; operation of mail handling elevators; and maintenance and repair of mechanical mail handling and office equipment.

5. *Vehicle service.*—This activity provides for the maintenance and repair of Government-owned vehicles used for the local collection and delivery of mail and for the transport of mail between cities. It also provides for the purchase of parts, gasoline, oil, tires, and contract maintenance and for the cost of hired vehicles used in lieu of Government-owned vehicles when it is economically advantageous.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,961,828	2,179,960	2,241,473
Positions other than permanent.....	627,962	697,456	716,631
Other personnel compensation.....	112,302	116,159	119,302
Total personnel compensation.....	2,702,092	2,993,575	3,077,406
12 Personnel benefits.....	184,761	235,377	243,054
21 Travel and transportation of persons.....	16,323	16,836	17,398
22 Transportation of things.....	63,404	65,869	68,098
23 Rent, communications, and utilities.....	4,026	4,218	4,049
25 Other services.....	12,891	14,758	16,124
26 Supplies and materials.....	21,483	23,808	25,871
Total obligations.....	3,004,980	3,354,441	3,452,000

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	399,265	408,486	417,658
Full-time equivalent of other positions.....	149,970	153,956	157,802
Average number of all employees.....	556,996	568,885	581,982
Number of employees at end of year.....	553,037	565,691	577,797
Average postal field service level.....	4.5	4.5	4.5
Average postal field service salary.....	\$5,035	\$5,463	\$5,482
Average salary of ungraded positions.....	\$4,413	\$4,858	\$4,922

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, [\$548,700,000] \$605,600,000. (5 U.S.C. 22a, 1332-15; 31 U.S.C. 22a; 39 U.S.C. 309, 501, 706, 2006, 2202, 6101-6103, 6105, 6106, 6201-6215, 6301-6304, 6351-6355, 6401-6410, 6414-6416, 6422-6425, 6431, 6434, 6435, 6439, 6440; 49 U.S.C. 1371-1376; Post Office Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Surface transportation:			
(a) Water.....	23,186	24,345	25,680
(b) Highway.....	95,412	102,349	109,659
(c) Rail.....	342,959	372,185	380,486
2. Air transportation.....	71,227	80,721	89,775
Total obligations (object class 22).....	532,784	579,600	605,600
Financing:			
Unobligated balance lapsing.....	3,716		
New authority.....	536,500	579,600	605,600
New authority:			
Appropriation.....	531,000	548,700	605,600
Transferred (73 Stat. 69) from—			
“Administration, regional operation, and research”.....	1,800		
“Operations”.....	1,700		
“Postal modernization”.....	2,000		
Appropriation (adjusted).....	536,500	548,700	605,600
Proposed supplemental due to railroad rate increases.....		30,900	

This appropriation covers the transportation of mail by air, land, and water. The request is \$605.6 million, an increase of \$26 million over the obligations for 1961. Of this increase \$6.7 million is due to the full year effect of the railroad rate increase granted in 1961. The remainder is due to increased mail volume and to the expansion of transportation services.

1. *Surface transportation.*—This includes transportation of mail by water, highway, and rail.

(a) *Water.*—Water transportation includes transportation 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 (\$0.9 million in 1962) and at pound rates (\$3.5 million in 1962). Pound rate service is utilized only for Alaska and Hawaii, where statehood is resulting in substantial increases in mail volume.

DATA RELATING TO POUND RATE SERVICE BY POWERBOAT

	Pounds (thousands)	Payments to carriers (thousands)	Average cost per pound (cents)
1958.....	37,097	\$1,873	5.05
1959.....	39,259	2,344	5.97
1960.....	47,307	2,833	5.99
1961 (estimate).....	53,000	3,174	5.99
1962 (estimate).....	59,000	3,533	5.99

Foreign mail transportation covers the carriage of mails by steamship to foreign countries. It also includes the terminal charges by foreign countries for handling such mail at the port of entry and charges for mails transiting such countries.

CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

TRANSPORTATION—Continued

DATA RELATING TO FOREIGN MAIL SURFACE TRANSPORTATION

	Pounds (thousands)	Payments to carriers (thousands)	Average cost per pound (cents)
1958.....	217,066	\$11,110	5.12
1959.....	212,879	10,907	5.12
1960.....	219,930	12,214	5.55
1961 (estimate).....	229,000	12,716	5.55
1962 (estimate).....	238,000	13,219	5.55

(b) *Highway.*—This includes transportation of mail by star routes (including short-haul truck service), mail messenger, and highway post offices. Star route service is provided between post offices where other means of mail transportation are not available or are inadequate. In 1962 the trend in star route expansion will be at a lower rate than that experienced in 1960.

DATA RELATING TO TRANSPORTATION BY STAR ROUTE

	Number of routes (end of year)	Scheduled miles of travel (thousands)	Annual obligations (thousands)	Average rate per mile (cents)
1958.....	10,688	314,564	\$55,672	17.70
1959.....	10,788	330,878	61,533	18.60
1960.....	11,011	378,479	71,290	18.84
1961 (estimate).....	11,111	404,972	78,040	19.27
1962 (estimate).....	11,161	425,666	83,610	19.64

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 5 additional routes in 1962.

DATA RELATING TO CONTRACT HIGHWAY POST OFFICES

	Number of routes (end of year)	Scheduled miles of travel (thousands)	Annual obligations (thousands)	Average rate per mile (cents)
1958.....	172	18,688	\$5,671	30.35
1959.....	175	19,035	6,009	31.57
1960.....	170	18,660	5,975	32.02
1961 (estimate).....	175	19,257	6,260	32.51
1962 (estimate).....	180	19,856	6,545	32.96

(c) *Rail.*—This covers transportation by railroad in the United States and Puerto Rico. The estimate provides for increased mail volume offset in part by necessary diversions of short hauls to highway service. The data below include the railroad rate increases effective September 1, 1960.

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.....	16,883,000	255,171	15.11
1960.....	16,986,000	260,385	15.33
1961 (estimate).....	16,804,000	280,980	16.72
1962 (estimate).....	16,834,000	286,458	17.02

2. *Air transportation.*—This covers the transportation of mail by air between points within the United States, to U.S. possessions, and to foreign countries. The increase in the average ton-mile rate in 1962 for domestic airmail is due to the increase in volume of regular airmail costing 42 cents per ton-mile without a proportionate increase in airlift mail costing 18 cents per ton-mile.

DATA RELATING TO DOMESTIC AIRMAIL TRANSPORTATION¹

	Ton-miles (thousands)	Payments to carriers (thousands)	Average cost per ton-mile (cents)
1958.....	103,322	\$39,594	38.32
1959.....	114,336	43,702	38.22
1960.....	131,437	49,916	37.98
1961 (estimate).....	155,964	57,480	36.85
1962 (estimate).....	171,682	64,114	37.34

¹ Includes airlift of nonpriority mail.

DATA RELATING TO FOREIGN AIRMAIL TRANSPORTATION¹

	Ton-miles (thousands)	Payments to U.S. carriers (thousands)	Average cost per ton-mile (cents)
1958.....	28,728	\$14,092	49.05
1959.....	31,207	15,322	49.10
1960.....	31,576	15,784	49.99
1961 (estimate).....	34,817	17,441	50.09
1962 (estimate).....	38,649	19,361	50.09

¹ Excludes military airmail for which the Department is reimbursed.

FACILITIES

For expenses, not otherwise provided for, 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, and 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; [\$168,000,000: *Provided*, That this appropriation shall be available for the repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia] \$167,700,000. (5 U.S.C. 22a, 30q, 30r, 43, 61g, 73b-3, 87c, 133z-15, 150, 836-840, 922, 944, 1133, 2061-2066, 2091-2103, 2121-2123, 2131-2133, 2181-2185, 2301-2319, 3001-3014; 6 U.S.C. 14; 31 U.S.C. 22a, 82a-1, 82a-2, 39 U.S.C. 1, 301, 309, 501, 503, 702, 705, 2001-2009, 2101-2116, 2501-2506, 3101, 3105, 3301, 3302, 3315, 3333, 3335, 3501, 3502, 3511-3542, 3551-3576, 3581, 3582, 5102, 6003, Act of July 1, 1960, 74 Stat. 299; Post Office Department Appropriation Act, 1961.)

Note.—Estimate for 1962 excludes \$24,413 thousand for activities transferred in the estimates to "Plant and equipment." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Building occupancy.....	75,393	90,563	113,521
2. Supplies and services.....	47,257	51,537	54,179
Total obligations.....	122,650	142,100	167,700
Financing:			
Comparative transfers to other accounts.....	63,643	25,666	-----
Unobligated balance lapsing.....	1,542	-----	-----
New authority.....	187,835	167,766	167,700
New authority:			
Appropriation.....	195,560	168,000	167,700
Transferred from "Operations" (74 Stat. 288).....	-----	100	-----
Transferred to—			
"Administration, regional operation, and research" (73 Stat. 69).....	-325	-----	-----
"Operations" (73 Stat. 69).....	-7,400	-----	-----
"Modernization and improvement of buildings and equipment" (73 Stat. 288).....	-----	-912	-----
Appropriation (adjusted).....	187,835	167,188	167,700
Proposed supplemental due to pay increases.....	-----	578	-----

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 field personnel assigned to the several service organizations operated by the Bureau of Facilities. The amount requested is \$167.7 million, an increase of \$25.6 million over 1961 and \$45.1 million over 1960.

1. *Building occupancy.*—This activity provides for rental of real estate; for utilities, fuel, and communication costs; and for the acquisition and resale of post office building sites under the commercial leasing program. The recoveries from the resale of such land are shown under Advances and reimbursements and are available for the lease program. Increased rental costs result from (a) the acquisition of additional postal space, (b) increased rental rates, and (c) replacement of inadequate or sub-standard space in Government buildings.

LEASED AND RENTED BUILDINGS¹

[In thousands]

	Annual rate of rental obligations	Square feet		
		Interior	Loading	Open
June 30, 1958.....	\$37,728	39,871	1,653	32,577
June 30, 1959.....	41,820	41,798	1,919	37,507
June 30, 1960.....	48,026	44,369	2,240	44,075
June 30, 1961 (estimate).....	66,171	53,012	3,250	63,819
June 30, 1962 (estimate).....	88,766	64,436	4,327	83,095

¹ Does not include space for which payments are made to other Government agencies in lieu of rent, or space to be rented fully equipped and maintained by the lessor.

2. *Supplies and services.*—This activity provides for the procurement of postal supplies, stamps, and other accountable paper; the rental of equipment; 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.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,257	7,005	7,055
Other personnel compensation.....	205	290	177
Total personnel compensation.....	6,462	7,295	7,232
12 Personnel benefits.....	437	543	547
21 Travel and transportation of persons.....	27	30	30
22 Transportation of things.....	1,212	1,389	1,407
23 Rent, communications, and utilities.....	68,834	87,802	110,845
24 Printing and reproduction.....	4,681	5,048	5,288
25 Other services.....	3,492	3,820	4,595
26 Supplies and materials.....	32,265	35,173	37,756
32 Lands and structures.....	5,240	1,000	-----
Total obligations.....	122,650	142,100	167,700

Personnel Summary

Total number of permanent positions.....	1,396	1,414	1,414
Average number of all employees.....	1,395	1,444	1,428
Number of employees at end of year.....	1,396	1,414	1,414
Average postal field service level.....	4.5	4.5	4.5
Average postal field service salary.....	\$5,035	\$5,463	\$5,482

PLANT AND EQUIPMENT

For expenses, not otherwise provided for, necessary for modernization and acquisition of equipment and facilities for postal purposes, including current increases in prior year contracts therefor,

\$122,000,000, to remain available until expended: Provided, That the funds herein appropriated shall be available for repair, alteration, and improvement of the mail equipment shops at Washington, District of Columbia, and 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. (5 U.S.C. 22a, 133z-15; 31 U.S.C. 22a; 39 U.S.C. 309, 501, 503, 2001, 2003-2007, 2202, 2203, 2233, 2507, 2509, 4052, 4053, 6003, 6009, 6101, 6105; Post Office Department Appropriation Act, 1961.)

Note.—Estimate for 1962 is for activities previously carried under "Facilities" and "Modernization and improvement of buildings and equipment." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Building and equipment improvement.....	104,784	94,461	97,587
2. Regular capital program.....	10,593	12,540	12,913
3. Vehicle program.....	16,028	13,126	11,500
Total obligations.....	131,405	120,127	122,000
Financing:			
Comparative transfers from (—) other accounts.....	—131,405	—120,127	-----
New authority (appropriation).....	-----	-----	122,000

This appropriation is the former Modernization and improvement of buildings and equipment appropriation with certain refinements. The refinements serve to consolidate all capital items into this one appropriation and to limit the appropriation to capital items. Plant and equipment differs from Modernization and improvement of buildings and equipment in that (1) the estimate for contract research, development, and engineering is now shown under that item in the Administration, regional operation, and research appropriation; (2) personnel costs under engineering and technical services are transferred to the Administration, regional operation, and research appropriation, and charged to the activity to which the personnel are assigned; (3) the estimate for the regular capital program is transferred to this appropriation from the Facilities appropriation; and (4) the estimate for the purchase of motor vehicles is likewise transferred from the Facilities appropriation.

This appropriation of \$122 million provides for the continuation of the program to modernize postal plant and equipment, for the purchase of equipment and vehicles to replace worn-out and obsolete equipment and vehicles, and for additional equipment required by the normal growth of the service.

1. *Building and equipment improvement.*—Alteration, air conditioning, and rehabilitation of Government-owned buildings and the general installation of comprehensive systems of modern mail-handling equipment constitute the major costs of the modernization program.

2. *Regular capital program.*—This activity covers the normal item by item replacement of worn-out or obsolete equipment and the purchase of additional equipment required by the growth of the service. This activity was formerly a part of the Facilities appropriation.

3. *Vehicle program.*—This activity covers the replacement of worn-out and obsolete motor vehicles and garage equipment and the acquisition of new vehicles and garage equipment in connection with the expansion of the program for mechanization of the city delivery service. This activity was formerly a part of the regular capital program of the Facilities appropriation.

CURRENT AUTHORIZATIONS OUT OF POSTAL FUND—Continued

PLANT AND EQUIPMENT—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	1,998	3,575	2,765
25 Other services.....	52,146	34,032	40,546
31 Equipment.....	75,200	80,214	76,219
32 Lands and structures.....	2,062	2,306	2,470
Total obligations.....	131,405	120,127	122,000

MODERNIZATION AND IMPROVEMENT OF BUILDINGS AND EQUIPMENT

For postal modernization as authorized by title III of the Act of May 27, 1958 (39 U.S.C. 1071-1075), including current increases made as a result of changes in plans in prior year contracts therefor, \$100,000,000: *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). (Post Office Department Appropriation Act, 1961.)

Note.—Activities previously carried under this title have been transferred to "Administration, regional operation, and research" and to "Plant and equipment." The amounts obligated in 1960 and 1961 are shown in the schedules as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	79,126	100,912	-----
Unobligated balance lapsing.....	2,074	-----	-----
New authority.....	81,200	100,912	-----
New authority:			
Appropriation.....	84,000	100,000	-----
Transferred from "Facilities" (74 Stat. 288).....	-----	912	-----
Transferred to (73 Stat. 69)—			
"Operations".....	-800	-----	-----
"Transportation".....	-2,000	-----	-----
Appropriation (adjusted).....	81,200	100,912	-----

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction and administration.....	8	8	8
2. Mail handling and window service:			
(a) Sale of migratory bird stamps (Department of the Interior).....	80	101	101

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Mail handling and window service—Con.			
(b) Alien registration (Department of Justice).....	256	265	266
(c) Sale of savings bonds and stamps (Treasury Department).....	872	983	983
(d) Sale of Coast Guard boat stamps (Treasury Department).....	53	95	95
(e) Other.....	164	170	170
3. Collection and delivery service: Assistance to Bureau of the Census.....	198	-----	-----
4. Vehicle service: Sale of vehicle supplies.....	346	350	350
5. Foreign air transportation: Transportation of military mail (Defense Department).....	23,060	35,395	38,900
6. Building occupancy:			
(a) Communications and fuel.....	433	435	435
(b) Land acquisition.....	4,858	11,000	12,000
7. Supplies and services.....	328	81	81
8. Plant and equipment: Sale of equipment and vehicles.....	492	530	473
Total obligations.....	31,148	49,413	53,862
Financing:			
Advances and reimbursements from—			
Other accounts.....	25,489	37,808	41,314
Non-Federal sources.....	5,659	11,605	12,548
Total financing.....	31,148	49,413	53,862

Note.—Reimbursements from non-Federal sources consist of receipts from the sale of postal vehicles and equipment (40 U.S.C. 481(c)), from the sale of scrap material from mail bag repair units and equipment shops (39 U.S.C. 2203), from the sale and lease of real estate (39 U.S.C. 2113), and from the refund of annual leave payments (5 U.S.C. 61(b)).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,073	1,053	1,054
Positions other than permanent.....	461	455	455
Total personnel compensation.....	1,534	1,508	1,509
12 Personnel benefits.....	96	112	112
22 Transportation of things.....	23,060	35,395	38,900
23 Rent, communications, and utilities.....	433	435	435
25 Other services.....	2,411	3,000	3,000
26 Supplies and materials.....	674	432	432
31 Equipment.....	493	531	474
32 Lands and structures.....	2,447	8,000	9,000
Total obligations.....	31,148	49,413	53,862

Personnel Summary

Total number of permanent positions.....	268	241	241
Full-time equivalent of other positions.....	109	100	100
Average number of all employees.....	333	303	303
Number of employees at end of year.....	377	341	341
Average GS grade.....	8.6	9.0	9.0
Average GS salary.....	\$7,197	\$8,069	\$8,174
Average postal field service level.....	4.5	4.5	4.5
Average postal field service salary.....	\$5,035	\$5,463	\$5,482

DEPARTMENT OF STATE

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
ADMINISTRATION OF FOREIGN AFFAIRS									
Current authorizations:									
Salaries and expenses.....	151	112,300	115,125	5,240	135,517	114,596	118,104	130,000	125,000
Representation allowances.....	151	825	850		954	810	850	950	825
Acquisition, operation, and maintenance of buildings abroad.....	151	17,372	10,723		20,000	20,868	14,500	16,500	12,500
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program).....	151		4,500		5,300		2,500	4,000	2,500
Emergencies in the diplomatic and consular service.....	151	1,500	1,000		1,200	1,337	1,100	1,200	800
Payment to the Foreign Service retirement and disability fund.....	151	2,360	2,540			2,360	2,540		
Extension and remodeling, State Department Building.....	151	3,000	500			14,360	5,641	1,198	
Government in occupied areas.....	151					3			
Permanent authorizations:									
Replacement of passenger motor vehicles sold abroad (indefinite special fund).....	151	256	242		257	257	323	323	257
Intragovernmental funds:									
Advances and reimbursements.....	151					-79		25	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation:									
Salaries and expenses.....	151			5,920			1,820	3,100	
Representation allowances.....	151			26			20	6	
Emergencies in the diplomatic and consular service.....	151			1,300			500	800	
Total, administration of foreign affairs.....		137,613	135,480	12,486	163,228	154,512	147,898	158,102	141,882
INTERNATIONAL ORGANIZATIONS AND CONFERENCES									
Current authorizations:									
Contributions to international organizations.....	151	54,533	48,701		62,990	54,644	48,648	62,923	62,310
Missions to international organizations.....	151	1,950	1,868	85	2,035	1,749	1,955	2,000	1,545
International conferences and contingencies.....	151	2,100	1,843		2,135	2,037	1,900	2,075	1,705
International tariff negotiations.....	151		650		180		520	310	180
United States Citizens Commission on NATO.....	151		150		150		120	180	150
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: International conferences and contingencies.....									
	151			150			120	30	
Total, international organizations and conferences.....		58,583	53,212	235	67,490	58,431	53,263	67,518	65,890
INTERNATIONAL COMMISSIONS									
Current authorizations:									
International Boundary and Water Commission, United States and Mexico:									
Salaries and expenses.....	401	573	578	38	618	555	620	620	556
Operation and maintenance.....	401	2,610	1,982	39	1,966	2,920	2,020	2,000	1,810
Construction.....	401	1,400	9,225		15,173	880	6,500	12,500	7,500
American sections, international commissions.....	151	345	365	17	428	316	372	420	361
International fisheries commissions.....	404	1,725	1,875	21	1,959	1,702	1,868	1,957	1,861
Passamaquoddy tidal power survey.....	401					191	57	44	
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission.....	404						50		
Total, international commissions.....		6,653	14,025	115	20,144	6,564	11,487	17,541	12,088

¹ To carry out authorizing legislation to be proposed.

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued

BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
EDUCATIONAL EXCHANGE									
Current authorizations:									
International educational exchange activities.....	153	23,210	25,705	311	30,000	22,046	24,000	27,000	14,000
International educational exchange activities (special foreign currency program).....	153	40,927	6,600		8,200		9,000	11,000	3,000
Center for Cultural and Technical Interchange Between East and West.....	153		10,000		9,693		2,163	10,500	2,663
Educational, scientific, and cultural activities.....	153					845	751	200	
Permanent authorizations:									
Educational exchange fund, payments by Finland, World War I debt (indefinite special fund).....	153	397	397		397	402	500	700	100
Educational exchange fund, interest payments by the Government of India (indefinite special fund).....	153					181	600	600	
Total, educational exchange.....		64,534	42,702	311	48,290	23,475	37,014	50,000	19,763
OTHER									
Current authorizations:									
Rama Road, Nicaragua.....	152	1,000	1,000		1,000	1,216	1,000	1,000	
Pan American Health Organization building site.....	151		875				875		
Payment to the Government of Japan for Bonin Islanders' claims.....	151		6,000				6,000		
Presentation of a statue to Uruguay.....	151		18				13	5	
Payment of miscellaneous claims of foreign governments.....	151	20					20		
Third Pan American Games.....	153					498			
Permanent authorizations:									
Payment to the Republic of Panama.....	151	1,930	1,930		1,930	1,930	1,930	1,930	1,930
Proposed for later transmission (other than pay increase supplements):									
Under proposed legislation: Payment of Philippine war damage claims.....	151				49,000			49,000	49,000
Total, other.....		2,950	9,823		51,930	3,644	9,838	51,935	50,930
Total new obligational authority and budget expenditures.....		270,333	255,242	13,147	351,082	246,626	259,500	345,096	290,553
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		267,750	252,673		299,498	246,626	251,625	291,824	241,553
Permanent authorizations:		2,583	2,569		2,584				
Proposed for later transmission:									
Pay increase supplemental appropriations.....			5,751				5,415	336	
Other: Appropriations.....			7,396		49,000		2,460	52,936	49,000
Total new obligational authority and budget expenditures.....		270,333	268,389		351,082	246,626	259,500	345,096	290,553

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Salaries and expenses		9,112		5,368		7,629		13,146
Acquisition, operation, and maintenance of buildings abroad	645	17,842	1,146	14,346	650	10,569	500	14,069
Extension and remodeling, State Department Building	553	17,699	882	6,339		1,198		
Replacement of passenger motor vehicles sold abroad (indefinite special fund)	66	219	64	217	40	136	30	70
Construction, International Boundary and Water Commission, United States and Mexico	1,397	1,840	1,719	2,360		5,085		7,758
Passamaquoddy tidal power survey	244	291	94	101		44		
Restoration of salmon runs, Fraser River system, International Pacific Fisheries Commission	53	53	53	53	3	3	3	3
International educational exchange activities		12,799		13,117		15,133		18,133
International educational exchange activities (special foreign currency program)			36,525	40,927	28,425	38,527	20,284	35,727
Educational exchange fund, payments by Finland, World War I debt (indefinite special fund)	615	964	673	958	193	855	3	552
Educational fund, interest payments by the Government of India (indefinite special fund)	948	1,507	343	1,326	37	726		126
Rama Road, Nicaragua	270	3,070	1,270	2,854		2,854		2,854
Third Pan American Games	500	500						
Other		5,463		4,156		13,316		13,584
Subtotal	5,291	71,359	42,769	92,122	29,348	96,075	20,820	106,022
Balances of anticipated pay increase supplementals included above						-336		
Total, appropriations	5,291	71,359	42,769	92,122	29,348	95,739	20,820	106,022
Revolving and management funds: Advances and reimbursements	54	277	119	341		341		316
Proposed for later transmission:								
Appropriations, other than pay increase supplementals						4,936		1,000
Anticipated pay increase supplemental appropriations						336		
Total, proposed for later transmission						5,272		1,000
Total, Department of State	5,345	71,636	42,889	92,463	29,348	101,352	20,820	107,338

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	270,333	268,389	351,082
Unobligated balances brought forward, start of year	5,345	42,889	29,348
Unobligated balances lapsing (-)	-568		
Unobligated balances carried forward, end of year (-)	-42,889	-29,348	-20,820
Obligations incurred, net	232,221	281,930	359,610
Obligated balances brought forward, start of year	66,291	49,574	72,004
Adjustments of obligated balances in expired accounts	-2,312		
Obligated balances carried forward, end of year (-)	-49,574	-72,004	-86,518
Budget expenditures	246,626	259,500	345,096

**RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES
BY FUNCTION**

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
International affairs and finance:						
151 Conduct of foreign affairs.....	198,491	210,618	282,076	215,189	210,371	276,975
152 Economic and financial assistance.....	1,000	1,000	1,000	1,216	1,000	1,000
153 Foreign information and exchange activities.....	64,534	43,013	48,290	23,973	37,014	50,000
Total, international affairs and finance.....	264,025	254,631	331,366	240,378	248,385	327,975
Natural resources:						
401 Conservation and development of land and water resources.....	4,583	11,862	17,757	4,546	9,197	15,164
404 Conservation and development of fish and wildlife.....	1,725	1,896	1,959	1,702	1,918	1,957
Total, natural resources.....	6,308	13,758	19,716	6,248	11,115	17,121
Total, Department of State.....	270,333	268,389	351,082	246,626	259,500	345,096

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); purchase (not to exceed **ten** five) 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; **[\$115,000,000]** \$135,517,000, 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 \$3,800 in the case of the chief of mission automobile at each diplomatic mission (except that ten such vehicles may be purchased at not to exceed \$7,800 each) and \$1,500 in the case of all other such vehicles except station wagons.

[For an additional amount for "Salaries and expenses", \$125,000.]
(Department of State Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$2,261 thousand for activities previously carried under "Payment to Foreign Service retirement and disability fund." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct obligations:			
1. Executive direction and policy formulation.....	9,360	10,413	11,348
2. Conduct of diplomatic and consular relations with foreign countries.....	86,392	92,418	102,714
3. Conduct of diplomatic relations with international organizations.....	1,950	2,097	2,125
4. Domestic public information and liaison.....	1,428	1,494	1,501
5. Central program services.....	3,623	3,917	5,582
6. Administrative and staff activities.....	11,454	12,181	12,247
Total direct obligations.....	114,207	122,520	135,517
Reimbursable obligations:			
1. Executive direction and policy formulation.....	1,299	1,541	1,631
2. Conduct of diplomatic and consular relations with foreign countries.....	58,170	62,926	66,582
3. Conduct of diplomatic relations with international organizations.....	163	136	144
4. Domestic public information and liaison.....	223	270	286
5. Central program services.....	1,202	1,536	1,625

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable obligations—Continued			
6. Administrative and staff activities.....	4,254	4,472	4,732
Total reimbursable obligations.....	65,311	70,881	75,000
Total obligations.....	179,518	193,401	210,517
Financing:			
Comparative transfers from (—) other accounts.....	—2,333	—2,511	-----
Advances and reimbursements from—			
Other accounts.....	—64,595	—70,200	—74,675
Non-Federal sources.....	—393	—325	—325
Unobligated balance lapsing.....	103	-----	-----
New obligational authority.....	112,300	120,365	135,517
New obligational authority:			
Appropriation.....	112,300	115,125	135,517
Proposed supplemental due to pay increases.....	-----	5,240	-----

Note.—Reimbursements from non-Federal sources are derived from payments for cablegrams and telephone service involved in procuring information for corporations, firms, and individuals (5 U.S.C. 169), from sales of personal property (40 U.S.C. 481(c)), from refunds of terminal leave payments (5 U.S.C. 61(b)), and from recoveries of jury service fees (5 U.S.C. 30p).

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 (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
United States Information Agency.....	12,923	13,575	14,400
Mutual security activities.....	17,975	19,677	21,250
Other accounts.....	34,020	37,304	39,025
Non-Federal sources.....	393	325	325
Total reimbursable obligations....	65,311	70,881	75,000

1. *Executive direction and policy formulation.*—Increases are requested mainly to intensify efforts in the field of disarmament 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, consular operations, and overseas administrative services (including services for other agencies on a reimbursable basis). Major items of increase are the establishment of new posts and the elevation of consulates to embassy status in newly independent African countries, improved communications equipment, and facilitation of increased U.S. exports. Increases also are requested for rising prices and local employee wage rates, additional labor and other specialized attachés, and continuance of the rise in travel abroad, as reflected in the following annual figures on passport applications in the United States:

1959 actual	1960 actual	1961 estimate	1962 estimate
702,021	830,034	930,000	973,000

3. *Conduct of diplomatic relations with international organizations.*—In collaboration with other Government agencies, U.S. policy is developed and coordinated on political and security issues and in such specialized fields as world health, education, labor, and refugee activities.

4. *Domestic public information and liaison.*—This program provides for informing the American public on inter-

ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

national policies and also keeping the Department informed on American attitudes relative to foreign policy and issues.

5. *Central program services.*—These provide personnel and physical security measures, translating and interpreting services, and the coordination of governmental foreign reporting requirements. The major increase for 1962 is for the purchase of additional security equipment.

6. *Administrative and staff activities.*—This includes normal domestic administrative activities and the administration of a global communications system for all civilian activities of the Government, the costs incurred for other agencies being reimbursed.

A supplemental appropriation is anticipated for 1961 under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	103,875	114,633	120,741
Positions other than permanent.....	229	735	860
Other personnel compensation.....	4,406	4,333	4,174
Total personnel compensation.....	108,510	119,701	125,775
Direct obligations:			
11 Personnel compensation.....	76,995	84,152	88,161
12 Personnel benefits.....	10,257	11,383	12,441
21 Travel and transportation of persons.....	8,702	8,442	9,938
22 Transportation of things.....	4,739	4,648	5,536
23 Rent, communications, and utilities.....	5,388	5,973	7,196
24 Printing and reproduction.....	694	691	777
25 Other services.....	3,250	3,494	4,582
Services of other agencies.....	130	90	90
26 Supplies and materials.....	2,015	2,085	2,347
31 Equipment.....	1,975	1,502	4,387
41 Grants, subsidies, and contributions.....	56	57	59
42 Insurance claims and indemnities.....	6	3	3
Total, direct obligations.....	114,207	122,520	135,517
Reimbursable obligations:			
11 Personnel compensation.....	31,515	35,549	37,614
12 Personnel benefits.....	5,969	6,521	6,900
21 Travel and transportation of persons.....	5,448	5,506	5,826
22 Transportation of things.....	4,383	4,420	4,677
23 Rent, communications, and utilities.....	7,143	7,402	7,832
24 Printing and reproduction.....	191	258	273
25 Other services.....	4,693	5,128	5,426
Services of other agencies.....	62	61	65
26 Supplies and materials.....	2,855	3,109	3,290
31 Equipment.....	2,954	2,829	2,993
41 Grants, subsidies, and contributions.....	97	97	103
42 Insurance claims and indemnities.....	1	1	1
Total, reimbursable obligations.....	65,311	70,881	75,000
Total obligations.....	179,518	193,401	210,517

Personnel Summary

Total number of permanent positions.....	21,548	21,654	22,570
Full-time equivalent of other positions.....	44	146	159
Average number of all employees.....	21,132	21,255	22,128
Number of employees at end of year.....	21,199	21,405	22,302
Average GS grade.....	7.4	7.5	7.5
Average GS salary.....	\$6,183	\$6,667	\$6,683

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade:			
Foreign Service officers.....	4.5	4.5	4.5
Foreign Service reserve officers.....	4.7	4.7	4.7
Foreign Service staff.....	10.8	10.8	10.8
Average salary:			
Foreign Service officers.....	\$10,038	\$10,781	\$10,658
Foreign Service reserve officers.....	\$9,494	\$10,368	\$10,369
Foreign Service staff.....	\$5,094	\$5,500	\$5,598
Average salary of ungraded positions.....	\$4,782	\$4,810	\$4,810
Average salary in foreign countries (local rates).....	\$1,840	\$1,922	\$2,014

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 901 [(3)] of the Foreign Service Act of 1946 (22 U.S.C. 1131), **[\$850,000]** \$954,000. (*Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Representation abroad by the Foreign Service (total obligations) (object class 25).....	823	850	954
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority (appropriation)	825	850	954

Officers of the Foreign Service are reimbursed in part for expenses incurred in the pursuance of the following official duties (in thousands of dollars):

Activity	1960 actual	1961 estimate	1962 estimate
Promotion of U.S. national interests.....	566	584	653
Protection of U.S. citizens' interests.....	19	20	21
Promotion of economic activities.....	102	106	125
Commemorative and ceremonial requirements.....	136	140	155
Total.....	823	850	954

A supplemental appropriation is anticipated for 1961 under Proposed for later transmission.

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); and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), **[\$10,723,000]** \$20,000,000, of which not less than **[\$10,495,000]** \$19,000,000 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 **[\$1,300,000]** \$1,373,000 may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1961; authorizing legislation to be proposed for 1962.*)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition and construction:			
(a) Acquisition.....	962	1,545	5,087
(b) Planning and development.....	568	350	380
(c) Construction.....	10,173	6,082	10,468
2. Building occupancy expenses:			
(a) Operation, maintenance, and repair.....	5,738	5,950	6,350
(b) Lease payments.....	957	800	640
3. Furniture and equipment:			
(a) Initial furnishings.....	1,516	800	452
(b) Furniture and household equipment repair and replacement.....	940	600	1,050
4. Administrative expenses.....	1,240	1,373	1,373
Total obligations.....	22,094	17,500	25,800
Financing:			
Unobligated balance brought forward.....	-645	-1,146	-650
Advances and reimbursements from—			
"Acquisition, operation, and maintenance of buildings abroad (special foreign cur- rency program)".....	-48	-4,500	-5,300
Other accounts.....	-48	-50	-50
Non-Federal sources (dollar conversion of foreign currencies).....	-5,175	-1,731	-300
Unobligated balance carried forward.....	1,146	650	500
New obligational authority (appropriation)	17,372	10,723	20,000

The objectives of the foreign buildings program are 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 at approximately \$180 million, consisting of 214 office buildings, 147 principal officer residences, 260 residences for senior officers and attachés, and 2,255 staff living

units. This program also finances real 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.

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. Starting in 1961, a separate appropriation for the purchase of foreign currencies, which accrue under title I of Public Law 480, the Agricultural Trade Development and Assistance Act of 1954, increased the resources available to the buildings program. These supplemental funds are being used almost entirely to acquire capital assets in the form of real property, thereby accelerating the foreign buildings program. These foreign currencies will supplement the regular appropriation by utilizing both excess and restricted nonexcess currencies authorized for the buildings program to reimburse the regular appropriation account for the full initial funding made possible through this process.

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 oversea Government operations from the standpoint of conducting efficient operations and of providing adequate security protection. In addition, housing is provided American employees in localities where housing either is not available or is substandard in relation to American living standards.

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, 1962

[Amounts stated in thousands of U.S. dollars]

Type of project	Building program, 1957-65	Completed through 1960	Programs goals				Unfunded projects
			1961		1962		
			Underway	Completion	Underway	Completion	
Office buildings:							
Number.....	123	17	2	9	7	1	87
Amount.....	\$53,237	\$6,823	\$1,542	\$4,722	\$2,972	\$2,000	\$35,178
Principal officers' residences:							
Number.....	109	16	-----	5	2	-----	86
Amount.....	\$12,952	\$1,010	-----	\$1,307	\$678	-----	\$9,957
Senior officers' and attachés' residences:							
Number.....	328	43	-----	1	-----	8	276
Amount.....	\$16,740	\$2,300	-----	\$40	-----	\$400	\$14,000
Staff housing:							
Units.....	834	144	-----	60	-----	-----	630
Amount.....	\$17,311	\$2,873	-----	\$1,126	-----	-----	\$13,312
Total.....	\$100,240	\$13,006	\$1,542	\$7,195	\$3,650	\$2,400	\$72,447

Current new construction undertakings to be financed by the regular appropriation have been reduced substantially, since the major portion of the 1961 appropriation was virtually all committed for the operation, maintenance and repair of present property holdings, personal services, leaseholds payments, and the completion of construction projects started in prior years, including their initial furnishings. An appropriation of \$20 million for 1962 will permit resumption of the pro-

gram at approximately the same level as in the years prior to 1961.

While an appropriation of \$5.3 million for the purchase of Public Law 480 currencies in 1962 will permit acceleration of the foreign buildings program, these funds are limited to a relatively few countries.

Of the requested appropriation for 1962, \$10 million has been authorized, and an authorization will be sought for the balance of \$10 million.

ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Current authorizations—Continued

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS
ABROAD—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,280	1,365	1,365
Other personnel compensation.....	36	34	34
Total personnel compensation.....	1,316	1,399	1,399
12 Personnel benefits.....	133	135	135
21 Travel and transportation of persons.....	171	159	159
22 Transportation of things.....	523	345	310
23 Rent, communications, and utilities.....	964	770	645
24 Printing and reproduction.....	1	1	1
25 Other services.....	1,900	1,547	1,517
Services of other agencies.....	3,500	3,800	4,000
26 Supplies and materials.....	717	640	900
31 Equipment.....	2,194	1,442	1,000
32 Lands and structures.....	10,664	7,262	15,734
41 Grants, subsidies, and contributions.....	11		
Total obligations.....	22,094	17,500	25,800

Personnel Summary

Total number of permanent positions.....	255	248	238
Average number of all employees.....	214	214	214
Number of employees at end of year.....	220	217	218
Average GS grade.....	9.0	9.2	9.4
Average GS salary.....	\$7,550	\$8,249	\$8,410
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade: Foreign Service staff.....	4.2	4.0	3.9
Average salary: Foreign Service staff.....	\$9,548	\$10,523	\$10,627
Average salary of ungraded positions (local rates).....	\$2,438	\$2,495	\$2,580

ACQUISITION, OPERATION, AND MAINTENANCE OF BUILDINGS
ABROAD (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by section 104(l) of that Act, to be credited to and expended under the appropriation account for "Acquisition, operation, and maintenance of buildings abroad", and to remain available until expended, **[\$4,500,000, of which not less than \$3,200,000 shall be available to purchase currencies which the Treasury Department shall determine to be excess to the normal requirements of the United States] \$5,300,000: Provided, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act, unless such currencies are excess to the normal requirements of the United States. (Department of State Appropriation Act, 1961.)**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to "Acquisition, operation, and maintenance of buildings abroad" (total obligations) (object class 25).....		4,500	5,300
Financing:			
New obligational authority (appropriation).....		4,500	5,300

This appropriation will make use of foreign currencies generated from sales abroad of U.S. surplus agricultural commodities to accelerate the foreign buildings program in Burma, India, Israel, Pakistan, Poland, United Arab Republic (Egypt), and Yugoslavia, where excess currencies are available; as well as in Colombia, Greece, and Turkey, where nonexcess currencies are available. These funds will be credited to and expended under the regular appropriation to accelerate the regular program.

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Proceeds of Sales of Buildings and Grounds, Foreign Currency, Foreign Service Buildings Fund

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Balance brought forward.....	98	546	
Proceeds of sales (22 U.S.C. 300).....	683	5,842	200
Dollar conversions credited to "Acquisition, operation, and maintenance of buildings abroad".....	-234	-6,388	-200
Balance carried forward.....	-546		
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] \$1,200,000. (Department of State Appropriation Act, 1961.)**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Unforeseen emergencies (total obligations) (unvouchered object class).....	1,413	1,000	1,200
Financing:			
Unobligated balance lapsing.....	87		
New obligational authority (appropriation).....	1,500	1,000	1,200

These funds are used for relief and repatriation loans to U.S. citizens abroad and for other emergencies of the Department. Repayments of loans are deposited in miscellaneous receipts of the Treasury.

A supplemental appropriation is anticipated for 1961 under Proposed for later transmission.

[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), \$2,540,000.] (Department of State Appropriation Act, 1961.)

Note.—Estimate of \$2,300 thousand for activities previously carried under this title has been transferred in the estimates to: "Salaries and expenses," \$2,261 thousand; "Missions to international organizations," \$11 thousand; "International educational exchange activities," \$28 thousand. The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Comparative transfers to other accounts.....	2,360	2,540	-----
New obligational authority (appropriation).	2,360	2,540	-----

This appropriation has provided the Government's contribution to the Foreign Service retirement and disability fund. Under recently enacted legislation (74 Stat. 831), the Government's contribution will be funded by the appropriations financing the salaries of participants in the Foreign Service Retirement and Disability System, and this appropriation no longer will be required.

【EXTENSION AND REMODELING, STATE DEPARTMENT BUILDING】

【For expenses necessary for planning, and the extension and remodeling, under the supervision of the General Services Administration, of the State Department Building, Washington, D.C., and for expenses necessary for providing temporary office space, including payment of rent in the District of Columbia, alterations, and purchase and installation of air conditioning equipment, to remain available until expended, \$500,000, to be transferred to the General Services Administration.】 (Department of State Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Design, supervision, etc.....	374	468	-----
2. Construction.....	1,789	485	-----
3. Equipment and furnishings.....	817	429	-----
Total obligations.....	2,980	1,382	-----
Financing:			
Unobligated balance brought forward.....	-553	-882	-----
Recovery of prior year obligations.....	-309	-----	-----
Unobligated balance carried forward.....	882	-----	-----
New obligational authority (appropriation)	3,000	500	-----

The work of remodeling and adding to the main State Department building is in its final stages. Completion of the project is expected during the current fiscal year.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO GENERAL SERVICES ADMINISTRATION			
24 Printing and reproduction.....	14	5	-----
25 Other services.....	358	461	-----
26 Supplies and materials.....	2	1	-----
31 Equipment.....	817	429	-----
32 Lands and structures.....	1,789	486	-----
Total obligations.....	2,980	1,382	-----

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation as follows:
 "Mutual security—economic," funds appropriated to the President.
 "Military assistance," Department of Defense.
 "President's special international program," funds appropriated to the President.

Permanent authorizations:

REPLACEMENT OF PASSENGER MOTOR VEHICLES SOLD ABROAD
 (Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Replacement of passenger vehicles (total obligations).....	258	266	266
Financing:			
Unobligated balance brought forward.....	-66	-64	-40
Unobligated balance carried forward.....	64	40	30
New obligational authority (appropriation)	256	242	257

Proceeds from sales 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 1962 will replace 100 vehicles.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	15	14	14
31 Equipment.....	243	252	252
Total obligations.....	258	266	266

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Representation by the Foreign Service of the United States abroad:			
Mutual security program (Department of Defense).....	157	166	166
Mutual security program (administrative expenses).....	71	71	71
International Cooperation Administration.....	3	4	4
United States Information Agency.....	1	1	1
2. International educational exchange (International Cooperation Administration).....	308	375	375
3. Department of Defense.....	2,858	2,880	2,884
4. Miscellaneous services to other accounts.....	38	24	14
Total obligations.....	3,436	3,521	3,515
Financing:			
Unobligated balance brought forward.....	54	119	-----
Advances and reimbursements from—			
Other accounts.....	3,480	3,392	3,515
Non-Federal sources (40 U.S.C. 481(c)).....	37	10	-----
Unobligated balance carried forward.....	-119	-----	-----
Unobligated balance lapsing.....	-16	-----	-----
Total financing.....	3,436	3,521	3,515

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,310	2,359	2,359
Positions other than permanent.....	20	11	11
Other personnel compensation.....	53	33	24
Total personnel compensation.....	2,383	2,403	2,394

ADMINISTRATION OF FOREIGN AFFAIRS—Con.

Intragovernmental funds—Continued

ADVANCES AND REIMBURSEMENTS—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	118	142	143
21 Travel and transportation of persons.....	40	27	37
24 Printing and reproduction.....	3	3	5
25 Other services.....	504	490	490
31 Equipment.....	167	226	216
32 Lands and structures.....	29		
41 Grants, subsidies, and contributions.....	192	230	230
Total obligations.....	3,436	3,521	3,515

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	377	338	338
Full time equivalent of other positions.....	4	3	3
Average number of all employees.....	345	328	328
Number of employees at end of year.....	317	317	317
Average GS grade.....	8.5	8.4	8.4
Average GS salary.....	\$6,647	\$7,126	\$7,126
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade:			
Foreign Service officers.....	6.2	6.3	6.3
Foreign Service reserve officers.....	5.7	5.8	5.8
Foreign Service staff.....	9.3	9.3	9.3
Average salary:			
Foreign Service officers.....	\$7,290	\$7,755	\$7,755
Foreign Service reserve officers.....	\$7,963	\$8,296	\$8,296
Foreign Service staff.....	\$6,004	\$6,500	\$6,500

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
2. Conduct of diplomatic and consular relations with foreign countries.....		5,283	
5. Central program services.....		637	
Total obligations.....		5,920	
Financing:			
New obligatory authority (proposed supplemental appropriation).....		5,920	

Under existing legislation, 1961.—This proposed supplemental appropriation is for expansion in Africa, primarily the opening of new posts and the elevation of consular posts to diplomatic status in countries whose independence was not anticipated in the 1961 budget, and for increased security activities.

REPRESENTATION ALLOWANCES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Representation abroad by the Foreign Service (total obligations).....		26	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
New obligatory authority (proposed supplemental appropriation).....		26	

Under existing legislation, 1961.—This proposed supplemental appropriation is to provide for increased representation costs occasioned by the expansion in Africa.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Unforeseen emergencies (total obligations).....		1,300	
Financing:			
New obligatory authority (proposed supplemental appropriation).....		1,300	

Under existing legislation, 1961.—A supplemental appropriation is needed to cover unanticipated expenses essential to the conduct of foreign affairs.

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, [\$48,700,754] \$62,990,000. (*United Nations and specialized agencies*—(1) 22 U.S.C. 287-287f; (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. 14, 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; *Public Law 86-384*, approved February 16, 1960; (2) 56 Stat. 1303; (3) 53 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; *Public Law 86-472*, approved May 11, 1960; (3) 22 U.S.C. 1789, 1928; 63 Stat. 2241; (4) 22 U.S.C. 1928a, 1928b; *Public Law 85-477*, approved June 30, 1958; (5) *T.I.A.S. 3170*; (6) *Public Law 86-108*, approved July 24, 1959; *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; *Public Law 86-614*, approved July 12, 1960; (4) 26 Stat. 1518; *T.I.A.S. 3922*; (5) 20 Stat. 709; 43 Stat. 1686; (6) 22 U.S.C. 274; *Public Law 85-627*, approved August 4, 1958; (7) 22 U.S.C. 275; (8) *T.I.A.S. 4389*; (9) *T.I.A.S. 4302*; 7 U.S.C. 1642(g); (10) 71 Stat. 453; *T.I.A.S. 3873*; *general*—22 U.S.C. 262a; *Department of State Appropriation Act, 1961*.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
United Nations and specialized agencies:			
1. United Nations.....	26,799	19,269	29,677
2. United Nations Educational, Scientific and Cultural Organization.....	3,790	3,833	4,677
3. International Civil Aviation Organization.....	2,231	2,238	2,421

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
United Nations and specialized agencies— Continued			
4. World Health Organization.....	4,744	5,355	6,070
5. Food and Agriculture Organization.....	2,998	2,999	3,000
6. International Labor Organization.....	2,132	1,975	2,449
7. International Telecommunication Union.....	225	327	300
8. World Meteorological Organization.....	71	126	118
9. Intergovernmental Maritime Consulta- tive Organization.....	56	41	40
Subtotal.....	43,046	36,163	48,752
Inter-American organizations:			
1. Inter-American Children's Institute.....	25	32	48
2. Inter-American Indian Institute.....	5	5	5
3. Inter-American Institute of Agricultural Sciences.....	221	225	234
4. Pan American Institute of Geography and History.....	49	49	50
5. Pan American Railway Congress Asso- ciation.....	5	5	5
6. Pan American Health Organization.....	2,310	2,640	3,102
7. Organization of American States.....	4,782	5,500	6,573
Subtotal.....	7,397	8,456	10,017
Regional organizations:			
1. Caribbean Commission.....	142	112	83
2. South Pacific Commission.....	70	70	77
3. North Atlantic Treaty Organization.....	1,714	1,502	1,550
4. North Atlantic Treaty Organization Parliamentary Conference.....	27	27	27
5. Southeast Asia Treaty Organization.....	178	323	285
6. Colombo Plan Council for Technical Co- operation.....	6	7	7
Subtotal.....	2,137	2,041	2,029
Other international organizations:			
1. Interparliamentary Union.....	21	21	21
2. International Bureau of the Permanent Court of Arbitration.....	1	1	1
3. International Bureau for the Protec- tion of Industrial Property.....	2	17	7
4. International Bureau for the Publica- tion of Customs Tariffs.....	9	9	9
5. International Bureau of Weights and Measures.....	15	14	60
6. International Council of Scientific Unions.....	24	26	33
7. International Hydrographic Bureau.....	10	10	10
8. International Sugar Council.....	17	20	20
9. International Wheat Council.....	19	23	26
10. International Atomic Energy Agency.....	1,682	1,900	2,005
Subtotal.....	1,800	2,041	2,192
Total obligations.....	54,380	48,701	62,990
Financing:			
Unobligated balance lapsing.....	153		
New obligational authority (appropriation)	54,533	48,701	62,990

The United States contributes its share of the expenses of the United Nations and 8 of its specialized agencies, 7 inter-American organizations, 6 regional organizations, and 10 other organizations.

The increases for the United Nations reflects additional technical assistance to the newly emerging independent African states, anticipated recommendations from a committee reviewing the United Nations Pension System, increased activity in the economic and social field and the cost of the proposed Outer Space Conference. Over \$6 million of the \$10 million increase is accounted for by

the appropriation of the U.S. share of the assessed portion of the 1961 costs of the United Nations Emergency Force in the Middle East in 1962, as is done for our contribution for other assessed United Nations activities, rather than in 1961.

Other major contribution increases are for: (1) the United Nations Educational Scientific and Cultural Organization for the development of education in Africa, Asia, and the Arab States; (2) the World Health Organization for initial assessments for a new headquarters building, additional medical research, aid to Africa, and an increase in WHO's working capital fund; (3) the Organization of American States to put into effect additional programs recommended by the Inter-American Committee of Presidential Representatives; and (4) the Pan American Health Organization for more field projects in public health administration, vital health statistics and nursing, and an increase in PAHO's working capital fund.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services: Services of other State accounts.....	501	616	593
41 Grants, subsidies, and contributions.....	53,879	48,085	62,397
Total obligations.....	54,380	48,701	62,990

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; 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; [\$1,868,000] \$2,035,000. (Department of State Appropriation Act, 1961.)

Note.—Estimate for 1962 includes \$11 thousand for activities previously carried under "Payment to Foreign Service retirement and disability fund." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Delegations to—			
1. United Nations.....	1,152	1,045	1,091
2. International organizations, Geneva.....	325	325	343
3. International Civil Aviation Organi- zation.....	77	89	94
4. Organization of American States.....	85	99	102
5. International Atomic Energy Agency.....	287	298	300
6. Interparliamentary Union.....	18	15	15
7. North Atlantic Treaty Organization Parliamentary Conference.....	20	30	30
8. Canada-United States Interparliamen- tary Group.....	19	30	30
9. Mexico-United States Interparliamen- tary Group.....		30	30
Total obligations.....	1,983	1,961	2,035
Financing:			
Comparative transfers from (—) other accounts.....	—64	—8	
Unobligated balance lapsing.....	31		
New obligational authority.....	1,950	1,953	2,035

INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued

Current authorizations—Continued

MISSIONS TO INTERNATIONAL ORGANIZATIONS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
New obligational authority:			
Appropriation.....	1,950	1,868	2,035
Proposed supplemental due to pay increases.....		85	

These missions represent the United States in the international organizations listed above, provide continuous reporting, and maintain liaison with the international secretariats of the organizations and with the delegations of other governments.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,112	1,179	1,233
Positions other than permanent.....	8	18	17
Other personnel compensation.....	47	37	35
Total personnel compensation.....	1,167	1,234	1,285
12 Personnel benefits.....	111	134	144
21 Travel and transportation of persons.....	59	65	72
22 Transportation of things.....	18	24	24
23 Rent, communications, and utilities.....	96	106	104
24 Printing and reproduction.....	3	2	2
25 Other services.....	22	11	12
Services of other State accounts.....	248	219	219
Official residence allowances.....	9	11	14
Representation.....	24	28	31
26 Supplies and materials.....	14	14	14
31 Equipment.....	155	8	9
Unvouchered.....	57	105	105
Total obligations.....	1,983	1,961	2,035

Personnel Summary

Total number of permanent positions.....	148	146	152
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	137	137	143
Number of employees at end of year.....	138	138	147
Average grade and salary established by the Secretary of State (equivalent to general schedule):			
Average GS grade.....	8.1	8.1	8.0
Average GS salary.....	\$6,517	\$6,982	\$7,063
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade:			
Foreign Service officers.....	3.5	3.4	3.3
Foreign Service reserve officers.....	2.1	2.0	2.0
Foreign Service staff.....	10.8	10.8	10.8
Average salary:			
Foreign Service officers.....	\$12,073	\$13,182	\$13,927
Foreign Service reserve officers.....	\$14,346	\$15,538	\$15,773
Foreign Service staff.....	\$5,215	\$5,672	\$5,791
Average salary of ungraded positions (local rates).....	\$4,750	\$4,750	\$4,750

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); ~~[\$1,843,000]~~ \$2,135,000, of which not to exceed a total of \$100,000 may be expended for representation allowances as authorized by section 901(3) of the Act of August 13, 1946 (22 U.S.C. 1131), and for entertainment. (*Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Participation in international conferences:			
Meetings of international organizations.....	1,107	1,229	1,569
Other international conferences.....	503	267	170
Total, participation in international conferences.....	1,610	1,496	1,739
2. U.S. missions on special assignment:			
United States-Italian Conciliation Commission.....	44	33	-----
United States-Japanese Property Commission.....	26	5	-----
Total, U.S. missions on special assignment.....	70	38	-----
3. Contributions to new or provisional organizations:			
Central Treaty Organization.....	65	110	117
Central Commission for the Rhine River.....	13	13	15
Coffee Study Group.....	14	15	15
General Agreement on Tariffs and Trade.....	120	140	210
International Cotton Advisory Committee.....	17	18	25
International Rubber Study Group.....	5	6	6
International Seed Testing Association.....	-----	1	1
Lead and Zinc Study Group.....	-----	6	7
Total, contributions to new or provisional organizations.....	234	309	396
Total obligations.....	1,914	1,843	2,135
Financing:			
Comparative transfers to other accounts.....	57	-----	-----
Unobligated balance lapsing.....	129	-----	-----
New obligational authority (appropriation)	2,100	1,843	2,135

This appropriation provides for U.S. participation in international conferences and for contributions to new or provisional organizations. In 1960 and 1961, this appropriation was also used to finance the United States-Italian Conciliation Commission and United States-Japanese Property Commission. Since the work of these two commissions will have been completed during 1961, funds are not requested in the 1962 estimate.

The increase for international conferences in 1962 is mainly to finance the cost of the U.S. delegation to the International Conference on Space Science and Technology.

A supplemental appropriation is anticipated for 1961 under Proposed for later transmission.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	36	20	..
Positions other than permanent.....	38	45	35
Other personnel compensation.....	26	25	25
Total personnel compensation.....	100	90	60
12 Personnel benefits.....	7	6	3
21 Travel and transportation of persons.....	1,204	1,070	1,308
22 Transportation of things.....	11	10	10
23 Rent, communications, and utilities.....	38	35	35
24 Printing and reproduction.....	8	8	8
25 Other services.....	198	200	200
Representation and entertainment.....	57	60	60
26 Supplies and materials.....	15	15	15
31 Equipment.....	42	40	40
41 Grants, subsidies, and contributions.....	234	309	396
Total obligations.....	1,914	1,843	2,135

Personnel Summary

Total number of permanent positions.....	7	5	..
Full-time equivalent of other positions.....	4	5	4
Average number of all employees.....	9	8	4
Number of employees at end of year.....	5	0	0
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade:			
Foreign Service officers.....	8.0	8.0	..
Foreign Service staff.....	11.0	10.0	..
Average salary:			
Foreign Service officers.....	\$5,555	\$6,178	..
Foreign Service staff.....	\$4,790	\$6,070	..
Average salary of ungraded positions (local rates).....	\$2,850	\$2,850	..

INTERNATIONAL TARIFF NEGOTIATIONS

For necessary expenses of participation by the United States in the fifth round of tariff negotiations [beginning in fiscal year 1961], including not to exceed [\$2,000] \$1,000 for representation allowances as authorized by section 901(3) of the Act of August 13, 1946 (22 U.S.C. 1131), and for entertainment, [\$650,000] \$180,000: *Provided*, That this appropriation shall be available in accordance with authority specified in the current appropriation for "International conferences and contingencies." (*Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Participation in international conference (total obligations).....		650	180
Financing:			
New obligational authority (appropriation).....		650	180

This appropriation provides for continuation of U.S. participation in negotiations of trade agreements under the General Agreement on Tariffs and Trade, pursuant to the Trade Agreements Extension Act of 1958. These negotiations were convened in Geneva on September 1, 1960, and will be completed within the first 6 months of 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....		25	8
Positions other than permanent.....		23	8
Other personnel compensation.....		5	2
Total personnel compensation.....		53	18
12 Personnel benefits.....		2	1
21 Travel and transportation of persons.....		482	123
22 Transportation of things.....		5	3
23 Rent, communications, and utilities.....		61	21
24 Printing and reproduction.....		5	2
25 Other services.....		32	9
Representation.....		2	1
26 Supplies and materials.....		5	2
31 Equipment.....		3	..
Total obligations.....		650	180

Personnel Summary

Total number of permanent positions.....		4	1
Full-time equivalent of other positions.....		6	2
Average number of all employees.....		8	3
Number of employees at end of year.....		13	0
Average grade and salary established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade: Foreign Service officers.....		5.0	2.0
Average salary: Foreign Service officers.....		\$10,235	\$17,035

UNITED STATES CITIZENS COMMISSION ON NATO

For necessary expenses of the United States Citizens Commission on NATO, to carry out the provisions of the Act of September 7, 1960 (74 Stat. 818), including [personal services as authorized by section 3(4) of S.J. Res. 170 without regard to civil service and classification laws; travel, subsistence, and other expenses of the Commission and its staff;] hire of passenger motor vehicles; and printing and binding without regard to section 11 of the Act of March 1, 1919 (44 U.S.C. 111); \$150,000, of which not to exceed \$1,500 may be expended for entertainment. (*Supplemental Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administrative expenses.....		108	102
2. Meetings and conferences.....		42	48
Total obligations.....		150	150
Financing:			
New obligational authority (appropriation).....		150	150

The purpose of the Commission is to develop greater cooperation and unity of purpose to promote democratic freedom by participation in meetings and conferences with similar commissions in other NATO countries. The Commission will terminate January 31, 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....		49	43
12 Personnel benefits.....		4	3
21 Travel and transportation of persons.....		45	47

INTERNATIONAL ORGANIZATIONS AND CONFERENCES—Continued

Current authorizations—Continued

UNITED STATES CITIZENS COMMISSION ON NATO—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....		1	1
23 Rent, communications, and utilities.....		2	2
24 Printing and reproduction.....		3	2
25 Other services.....		1	1
Entertainment.....		2	2
26 Supplies and materials.....		1	1
41 Grants, subsidies, and contributions.....		42	48
Total obligations.....		150	150

Personnel Summary

Total number of permanent positions.....		10	10
Average number of all employees.....		5	4
Number of employees at end of year.....		10	0
Average salary of ungraded positions.....		\$10,360	\$10,360

Proposed for later transmission:

INTERNATIONAL CONFERENCES AND CONTINGENCIES

Program and Financing (thousands in of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Participation in international conferences.....		113	
3. Contributions to new or provisional organizations.....		37	
Total obligations.....		150	
Financing:			
New obligational authority (proposed supplemental appropriation).....		150	

Under existing legislation, 1961.—The resumption of the United Nations General Assembly, other unbudgeted conferences, and a probable increase in the U.S. share of the secretariat costs of the General Agreement on Tariffs and Trade result in a need for a supplemental appropriation.

INTERNATIONAL COMMISSIONS

Current authorizations:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

The Commission consists of a U.S. section, with headquarters at El Paso, Tex., and a Mexican section, with headquarters at Ciudad Juarez, Chihuahua, and has the status of an international body. It was created in 1889 by the United States and Mexico to provide a practical means for solving mutual boundary problems.

For expenses necessary to enable the United States to meet its obligations under the treaties of 1884, 1889, 1905, 1906, 1933, and 1944 between the United States and Mexico, and to comply with the

other laws applicable to the United States Section, International Boundary and Water Commission, United States and Mexico, including operation and maintenance of the Rio Grande rectification, canalization, flood control, bank protection, water supply, power, irrigation, boundary demarcation, and sanitation projects; detailed plan preparation and construction (including surveys and operation and maintenance and protection during construction); Rio Grande emergency flood protection; expenditures for the purposes set forth in sections 101 through 104 of the Act of September 13, 1950 (22 U.S.C. 277d-1—277d-4); purchase of [four] nine passenger motor vehicles of which four shall be 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, 1961.*)

SALARIES AND EXPENSES

For salaries and expenses not otherwise provided for, including examinations, preliminary surveys, and investigations, [\$578,000] \$618,000. (*Treaties of Feb. 2, 1948, 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. General administration.....	341	368	369
2. General engineering.....	177	194	207
3. Project investigations.....	43	70	46
Total operating costs.....	561	632	622
4. Unfunded adjustment to total operating costs: Depreciation included above (—).....	—5	—5	—5
Total operating costs, funded.....	556	627	617
Capital outlay:			
5. Operating program.....	8	1	1
Total program costs, funded.....	564	628	618
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—12	
Obligations incurred for costs of other years, net.....	9		
Total obligations.....	573	616	618
Financing:			
New obligational authority.....	573	616	618
New obligational authority:			
Appropriation.....	573	578	618
Proposed supplemental due to pay increases.....		38	

1. *General administration.*—Activities include overall control of the operations of the U.S. section of the Commission, formulation of policies and procedures, financial management, and negotiation with Mexico to solve international problems.

2. *General engineering.*—This provides for (a) measurement and determination of the national ownership of boundary waters, (b) technical engineering guidance and supervision of the planning, construction, and operation of international projects, and (c) studies relating to international problems of a continuing nature.

3. *Project investigations.*—Preliminary investigations are made to determine the feasibility of joint projects for the solution of international problems arising along the boundary. The proposed program for 1962 includes in-

vestigations of the following projects: (a) Lower Colorado River flood control, (b) Tijuana River development, and (c) Rio Grande-Fort Quitman to Upper Presidio.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$7 thousand; 1959 (adjusted), \$6 thousand; 1960, \$15 thousand; 1961, \$3 thousand; 1962, \$3 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	471	507	519
Positions other than permanent.....		1	1
Other personnel compensation.....	25	21	19
Total personnel compensation.....	496	529	539
12 Personnel benefits.....	33	40	40
21 Travel and transportation of persons.....	4	5	5
22 Transportation of things.....	1	2	2
23 Rent, communications, and utilities.....	8	20	20
24 Printing and reproduction.....	1	1	1
25 Other services.....	15	11	3
26 Supplies and materials.....	10	7	7
31 Equipment.....	5	1	1
Total obligations.....	573	616	618

Personnel Summary

Total number of permanent positions.....	74	75	75
Average number of all employees.....	70	71	72
Number of employees at end of year.....	72	75	75
Average GS grade.....	7.6	7.5	7.5
Average GS salary.....	\$6,539	\$6,975	\$7,041
Average salary of ungraded positions.....	\$4,601	\$4,670	\$4,670

OPERATION AND MAINTENANCE

For operation and maintenance of projects or parts thereof, as enumerated above, including gaging stations, **[\$1,982,000]** \$1,966,000: *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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. El Paso projects.....	1,304	748	689
2. Lower Rio Grande flood control project.....	683	669	713
3. Falcon dam and powerplant.....	264	293	290
4. International gaging stations.....	257	283	285
5. Rio Grande emergency flood protection.....	338		
Total operating costs.....	2,846	1,993	1,977
6. Unfunded adjustment to total operating costs: Depreciation included above (-).....	-140	-150	-150
Total operating costs, funded.....	2,706	1,843	1,827
Capital outlay:			
7. Replacement of equipment.....	207	178	139
Total program costs, funded.....	2,913	2,021	1,966
8. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-305		
Total obligations.....	2,608	2,021	1,966

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority.....	2,610	2,021	1,966
New obligational authority:			
Appropriation.....	2,610	1,982	1,966
Proposed supplemental due to pay increases.....		39	

This appropriation finances the operation and maintenance of flood control dams and other structures, a powerplant, and stream gaging stations on the international rivers and tributaries.

The following table summarizes the major maintenance workload:

PROGRAM WORKLOAD SUMMARY

Item	Unit	Quantities performed, 1960	Quantities proposed, 1961	Quantities proposed, 1962
1. River channel:				
(a) Clearing.....	Acre.....	743	700	700
(b) Revetment placing.....	Mile.....	21.2	3.8	
(c) Excavation.....	Cubic yard	1,506,508	674,880	550,000
2. Levees:				
(a) Clearing.....	Acre.....	5,700	5,700	5,960
(b) Surfacing.....	Mile.....	20.38	20	20
(c) Road maintenance.....	Mile.....	474	480	480
(d) Embankment.....	Cubic yard	32,207	23,125	23,125
(e) Rodent control.....	Acre.....	1,202	1,200	1,200
(f) Reconditioning.....	Mile.....	59	55	55
(g) Road surfacing.....	Mile.....	33.19	16.5	16.5
3. Floodways:				
(a) Clearing.....	Acre.....	8,900	12,000	14,500
(b) Leveling.....	Acre.....	953	700	700
(c) Rodent control.....	Acre.....	6,786	9,200	9,200
4. Pilot channel:				
(a) Excavation.....	Cubic yard	40,662	30,000	30,000
(b) Earthwork.....	Cubic yard	15,100	12,000	12,000
(c) Road maintenance.....	Mile.....	41.5	40	40
(d) Rock riprap.....	Cubic yard	1,470	500	500
5. Canal: Maintenance.....	Mile.....	15	15	15
6. Arroyo control: Earthwork.....	Cubic yard	244,234	240,000	240,000

7. *Replacement of equipment.*—Provides for replacement of heavy duty maintenance equipment.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by activities).....	165	176	176	176
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	394	77	77	77
Total selected resources at end of year.....	559	253	253	253
Selected resources at start of year (-).....		-559	-253	-253
Adjustment of selected resources reported at start of year.....		1		
Costs financed from obligations of other years, net (-).....		-305		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,238	1,330	1,335

INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO—Continued

OPERATION AND MAINTENANCE—continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation—Continued			
Positions other than permanent.....	22	18	18
Other personnel compensation.....	58	23	17
Total personnel compensation.....	1,318	1,371	1,371
12 Personnel benefits.....	82	97	97
21 Travel and transportation of persons.....	10	10	10
22 Transportation of things.....	9	10	10
23 Rent, communications, and utilities.....	47	33	33
25 Other services.....	710	100	76
26 Supplies and materials.....	238	238	246
31 Equipment.....	179	180	141
32 Lands and structures.....	32		
Subtotal.....	2,625	2,039	1,984
Deduct quarters and subsistence charges.....	17	18	18
Total obligations.....	2,608	2,021	1,966

Personnel Summary

Total number of permanent positions.....	258	273	267
Full-time equivalent of other positions.....	6	5	5
Average number of all employees.....	259	265	265

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
Number of employees at end of year.....	271	264	264
Average GS grade.....	6.0	6.2	6.2
Average GS salary.....	\$5,519	\$6,076	\$6,145
Average salary of ungraded positions.....	\$4,577	\$4,684	\$4,689

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, **[\$4,000,000]** \$15,173,000, 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.

【For an additional amount for "Construction", \$5,225,000.】
(Department of State Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Rio Grande international dams program:									
(a) Falcon Dam and powerplant.....	36,827	35,502	390	935					
(b) Upper dam investigations.....	1,537	1,512	24	1					
(c) Amistad Dam and Reservoir.....	53,646			4,750	11,925	250	325	12,000	36,646
2. Lower Rio Grande flood control:									
(a) Anzalduas Dam and related works.....	6,725	4,011	488	2,226					
(b) Modification of levee system.....	11,240			2,800	2,990	200	210	3,000	5,240
3. Rio Grande gaging stations.....	500			77	173			173	250
4. Douglas-Agua Prieta sanitation project.....	25			25					
5. Tijuana valley sanitation project.....	225			225					
Total program costs.....	110,725	41,025	902	11,039	15,088	450	535	15,173	42,136
6. Relation of costs to obligations:									
Costs financed from obligations of other years, net (—).....				—95					
Obligations incurred for costs of other years, net.....			177		85				
Total obligations.....			1,079	10,944	15,173				
Financing:									
Unobligated balance brought forward.....			—1,397	—1,719					
Unobligated balance carried forward.....			1,719						
New obligational authority (appropriation).....			1,400	9,225	15,173				

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

1. *Rio Grande international dams program.*—The negotiation of an agreement for construction of Amistad Dam, the second major international storage dam on the Rio Grande contemplated by the 1944 Water Treaty, was authorized by Public Law 86-605. Work will be initiated in 1961 on the preparation of final detailed designs and specifications, railroad relocation, acquisition of rights-of-way, and construction of access roads and the Government camp. This work, preparatory to the actual building of the dam, is scheduled for completion in 1962.

2. *Lower Rio Grande flood control.*—Work will continue on the modification of the flood control levee system, consisting largely of raising existing levees, constructing new levees, and making floodway channel improvements.

3. *Rio Grande gaging stations.*—Improvements to water measurement facilities of the gaging stations on the Rio Grande will continue to be made to provide a higher degree of accuracy in measuring river flows.

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

	1959 actual	1960 actual	1961 estimate	1962 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).....	339	536	415	485
Equipment (acquisition value of facilities used on projects, less depreciation charged to project costs).....	30	9	35	50
Total selected resources at end of year.....	368	545	450	535
Selected resources at start of year (—).....		—368	—545	—450
Costs financed from obligations of other years, net (—).....			—95	
Obligations incurred for costs of other years, net.....		177		85

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	151	571	556
Positions other than permanent.....	3	25	22
Other personnel compensation.....	10	10	6
Total personnel compensation.....	164	606	584
12 Personnel benefits.....	9	44	46
21 Travel and transportation of persons.....	6	9	8
22 Transportation of things.....		8	7
23 Rent, communications, and utilities.....	6	10	7
25 Other services.....	53	335	15
26 Supplies and materials.....	60	150	180
31 Equipment.....	9	57	55
32 Lands and structures.....	763	9,725	14,271
43 Interest and dividends.....	10		
Subtotal.....	1,080	10,944	15,173
Deduct quarters and subsistence charges.....	1		
Total obligations.....	1,079	10,944	15,173

Personnel Summary

Total number of permanent positions.....	25	132	115
Full-time equivalent of other positions.....	1	5	4
Average number of all employees.....	26	115	113
Number of employees at end of year.....	23	126	113
Average GS grade.....	8.0	6.6	6.5
Average GS salary.....	\$6,657	\$5,556	\$5,595
Average salary of ungraded positions.....	\$3,882	\$3,450	\$3,450

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 services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); hire of passenger motor vehicles; [\$365,000] \$428,000, 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 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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. International Boundary Commission.....	95	104	104
2. International Joint Commission:			
(a) U.S. section.....	55	73	91
(b) Special and technical investigations, International Joint Commission:			
(1) Allocation to Public Health Service.....	73	73	97
(2) Allocation to Geological Survey.....	119	132	136
Total obligations.....	342	382	428
Financing:			
Unobligated balance lapsing.....	3		
New obligational authority.....	345	382	428
New obligational authority:			
Appropriation.....	345	365	428
Proposed supplemental due to pay increases.....		17	

These funds are used for payment of the U.S. 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 and chemical vegetation control.

2. *International Joint Commission.*—This Commission studies United States-Canadian border matters, such as investigation of water and smoke pollution in conjunction with the Public Health Service, and gathering stream flow data in cooperation with the Geological Survey. It also acts to insure appropriate apportionment of international

INTERNATIONAL COMMISSIONS—Continued

Current authorizations—Continued

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS—Continued

waters and, upon referral, investigates and makes recommendations for remedial action.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE			
11 Personnel compensation:			
Permanent positions.....	76	108	110
Positions other than permanent.....	17	16	16
Other personnel compensation.....	1		
Total personnel compensation.....	94	124	126
12 Personnel benefits.....	19	21	21
21 Travel and transportation of persons.....	17	17	19
22 Transportation of things.....			
23 Rent, communications, and utilities.....	3	3	3
24 Printing and reproduction.....	6	1	12
25 Other services.....	6	7	9
26 Supplies and materials.....	3	3	3
31 Equipment.....	2	1	2
Total, Department of State.....	150	177	195
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	39	47	47
Positions other than permanent.....	7	5	21
Total personnel compensation.....	46	52	68
12 Personnel benefits.....	5	5	6
21 Travel and transportation of persons.....	3	3	7
22 Transportation of things.....	2	1	1
23 Rent, communications, and utilities.....	1	2	2
24 Printing and reproduction.....	1	1	1
25 Other services.....	1	2	3
Services of other agencies.....	119	132	136
26 Supplies and materials.....	6	5	5
31 Equipment.....	8	2	4
Total, allocation accounts.....	192	205	233
Total obligations.....	342	382	428
Obligations are distributed as follows:			
Department of State.....	150	177	195
Department of Health, Education, and Welfare (Public Health Service).....	73	73	97
Department of the Interior (Geological Survey).....	119	132	136

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE			
Total number of permanent positions.....	12	12	12
Full-time equivalent of other positions.....	6	6	6
Average number of all employees.....	15	17	17
Number of employees at end of year.....	24	32	32
Average GS grade.....	9.9	10.3	10.3
Average GS salary.....	\$8,071	\$8,694	\$8,732
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	8	8	8
Full-time equivalent of other positions.....	1	1	3
Average number of all employees.....	7	7	10
Number of employees at end of year.....	11	11	13
Average GS grade.....	8.4	8.4	8.4
Average GS salary.....	\$7,015	\$7,541	\$7,541

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, **[\$1,875,000] \$1,959,000**: *Provided*, That the United States share of such expenses may be advanced to the respective commissions. (*Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. International Pacific Halibut Commission.....	122	139	144
2. International Pacific Salmon Fisheries Commission.....	247	231	255
3. Inter-American Tropical Tuna Commission.....	373	373	401
4. International Commission for the Northwest Atlantic Fisheries.....	5	6	6
5. International Whaling Commission.....	1	1	1
6. International North Pacific Fisheries Commission.....	17	17	19
7. Great Lakes Fishery Commission.....	946	967	967
8. North Pacific Fur Seal Commission.....	2	2	2
9. Tortugas Shrimp Commission.....		150	150
10. Expenses of the U.S. commissioners.....	9	10	15
Total obligations.....	1,722	1,896	1,959
Financing:			
Unobligated balance lapsing.....	3		
New obligational authority.....	1,725	1,896	1,959
New obligational authority:			
Appropriation.....	1,725	1,875	1,959
Proposed supplemental due to pay increases.....		21	

These funds are used for payment of the U.S. share of the expenses of nine international fisheries commissions. The Commissions conduct, plan and coordinate studies to determine measures necessary for the preservation and expansion of fishery stocks and recommend conservation measures to the several member governments. In particular, the Halibut and Salmon Commissions regulate the fisheries under their jurisdiction; the Great Lakes Commission carries on a lamprey control program; and the new Tortugas Shrimp Commission conducts studies of the shrimp of the eastern Gulf of Mexico and will adopt shrimp fishing regulations.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	10	10	15
41 Grants, subsidies, and contributions.....	1,712	1,886	1,945
Total obligations.....	1,722	1,896	1,959

PASSAMAQUODDY TIDAL POWER SURVEY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Engineering survey.....	127	43	
2. Power marketing studies.....	9	2	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Commercial fishery studies.....	8		
4. Administration.....	6	49	
Total obligations.....	150	94	
Financing:			
Unobligated balance brought forward.....	-244	-94	
Unobligated balance carried forward.....	94		
New obligational authority (appropriation)			

A survey is being completed 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 (a) the cost of construction, (b) whether or not such cost would allow hydroelectric power to be produced at a reasonable price, and (c) what contribution such project would make to the national economy and defense.

Three U.S. Government agencies are participating. The Corps of Engineers—Civil, has completed an investigation of powerplant construction and location requirements. The Federal Power Commission, together with the Corps of Engineers—Civil, has studied the potential power market and transmission problems. The Fish and Wildlife Service, in cooperation with the Government of Canada, has studied the potential effect on fisheries in the area. Reports on these phases of the survey have been submitted to the International Joint Commission. During 1961, the International Joint Commission will complete consideration of these reports and finalize its recommendations to the Governments of Canada and the United States.

Carryover funds are being used to complete the survey and report, including preparation and submission of additional economic and engineering analyses by the Corps of Engineers—Civil. Additional hearings, to develop supporting data requested by the two Governments, may be required after the report is submitted.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE			
25 Other services: Services of other agencies.....	15	51	
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	114	28	
Positions other than permanent.....	1		
Other personnel compensation.....	4		
Total personnel compensation.....	119	28	
12 Personnel benefits.....	8	2	
21 Travel and transportation of persons.....	2	7	
22 Transportation of things.....		1	
24 Printing and reproduction.....	3	3	
25 Other services.....	1		
Services of other agencies.....	1	2	
26 Supplies and materials.....	1		
Total, allocation accounts.....	135	43	
Total obligations.....	150	94	

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Department of State.....	15	51	
Corps of Engineers—Civil.....	127	43	
Fish and Wildlife Service.....	8		

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	20	3	
Average number of all employees.....	15	3	
Number of employees at end of year.....	8	0	
Average GS grade.....	7.6	7.6	
Average GS salary.....	\$6,326	\$6,824	

RESTORATION OF SALMON RUNS, FRASER RIVER SYSTEM, INTERNATIONAL PACIFIC SALMON FISHERIES COMMISSION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Contributions to the International Pacific Salmon Fisheries Commission (total costs—obligations) (object class 4).....		50	
Financing:			
Unobligated balance brought forward.....	-53	-53	-3
Unobligated balance carried forward.....	53	3	3
New obligational authority (appropriation)			

Obligations in 1961 will finance one-half of the cost of constructing a laboratory on the Fraser River. Canada will fund the other half of the cost. The new laboratory will provide adequate facilities for analysis of water conditions affecting salmon migration or survival. Engineering studies and architectural plans for the laboratory were made in 1960 but construction, originally scheduled for 1960, was deferred for a year.

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); hire of passenger motor vehicles; entertainment within the United States (not to exceed \$1,000); services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and advance of funds notwithstanding section 3648 of the Revised Statutes, as amended; [\$25,705,000] \$30,000,000, of which not less than [\$5,500,000] \$6,500,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States: *Provided*, That not to exceed [\$1,568,750] \$1,800,000 may be used for administrative expenses during the current fiscal year. (*Department of State Appropriation Act, 1961.*)

Note.—Estimate for 1962 includes \$600 thousand for activities previously carried under "Mutual security—economic," funds appropriated to the President, and \$28 thousand for activities previously carried on under "Payment to Foreign Service retirement and disability fund." The amounts obligated in 1960 and 1961 are shown in the schedule as comparative transfers.

EDUCATIONAL EXCHANGE—Continued

Current authorizations—Continued

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Governmental program expense:			
(a) American republics.....	4,478	4,939	5,333
(b) Western Europe.....	6,738	6,859	7,160
(c) Eastern Europe.....	377	490	601
(d) Far East.....	5,139	5,397	5,728
(e) Near East and South Asia.....	3,655	4,044	4,580
(f) Africa.....	2,153	3,201	4,665
2. Grants for private U.S. programs.....	137	150	150
3. Administration expenses.....	1,411	1,647	1,783
Total obligations.....	24,088	26,727	30,000
Financing:			
Comparative transfers from (—) other ac- counts.....	—914	—711	-----
Unobligated balance lapsing.....	37	-----	-----
New obligational authority.....	23,210	26,016	30,000
New obligational authority:			
Appropriation.....	23,210	25,705	30,000
Proposed supplemental due to pay increases.....	-----	311	-----

The primary objective of the program is the promotion of U.S. 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. Exchange of persons programs with Africa will be substantially increased in 1962 and include certain new academic exchange programs.

In addition to the regular appropriation for this program covering dollar and certain foreign currency costs, a special foreign currency program appropriation is available to purchase excess and restricted currencies for exchange programs. The total obligations for this program are shown in the following table (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Regular appropriations.....	24,088	26,727	30,000
Special foreign currency programs.....	7,413	14,700	16,341
Total.....	31,501	41,427	46,341

Educational exchange grants for United States and foreign participants are estimated as follows:

	1960 actual	1961 estimate	1962 estimate
United States grantees.....	2,265	2,444	2,649
Foreign grantees.....	6,160	6,314	7,016
Total grantees.....	8,425	8,758	9,665

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE			
11 Personnel compensation:			
Permanent positions.....	1,725	2,061	2,188
Other personnel compensation.....	34	28	27
Total personnel compensation.....	1,759	2,089	2,215

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE—Continued			
12 Personnel benefits.....	99	112	125
21 Travel and transportation of persons.....	79	85	100
25 Other services.....	2,281	2,828	2,900
Services of other agencies.....	2,623	3,091	3,438
41 Grants, subsidies, and contributions.....	15,499	18,522	21,222
Total, Department of State.....	22,340	26,727	30,000
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	300	-----	-----
Other personnel compensation.....	4	-----	-----
Total personnel compensation.....	304	-----	-----
12 Personnel benefits.....	21	-----	-----
21 Travel and transportation of persons.....	11	-----	-----
23 Rent, communications, and utilities.....	10	-----	-----
24 Printing and reproduction.....	10	-----	-----
25 Other services.....	8	-----	-----
26 Supplies and materials.....	4	-----	-----
31 Equipment.....	1	-----	-----
41 Grants, subsidies, and contributions.....	1,379	-----	-----
Total, allocation accounts.....	1,748	-----	-----
Total obligations.....	24,088	26,727	30,000
Obligations are distributed as follows:			
Department of State.....	22,340	26,727	30,000
Department of Health, Education, and Wel- fare.....	1,371	-----	-----
Department of Labor.....	373	-----	-----
Library of Congress.....	4	-----	-----

Personnel Summary

DEPARTMENT OF STATE			
Total number of permanent positions.....	285	300	312
Average number of all employees.....	257	282	301
Number of employees at end of year.....	259	290	301
Average GS grade.....	7.6	7.8	7.8
Average GS salary.....	\$6,231	\$6,817	\$6,785
Average grade and salary established by the Foreign Service Act of 1946, as amended (22 U.S.C. 801-1158):			
Average grade: Foreign Service officer.....	6.1	6.1	6.1
Average salary: Foreign Service officer.....	\$7,811	\$8,422	\$8,422
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	51	-----	-----
Average number of all employees.....	48	-----	-----
Number of employees at end of year.....	50	-----	-----
Average GS grade.....	8.0	-----	-----
Average GS salary.....	\$6,481	-----	-----

INTERNATIONAL EDUCATIONAL EXCHANGE ACTIVITIES (SPECIAL FOREIGN CURRENCY PROGRAM)

For purchase of foreign currencies which accrue under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1704), for the purposes authorized by sections 104(h), 104(j), 104(k), 104(o), and 104(p) of the Agricultural Trade Development and Assistance Act, as amended, to remain available until expended, [\$6,600,000, of which not less than \$2,862,500 shall be available to purchase currencies which the Treasury Department shall determine to be excess to normal requirements of the United States] \$8,200,000: *Provided*, That this appropriation shall not be used for the purchase of currencies available in the Treasury for the purposes of section 104(f) of such Act unless such

currencies are excess to the normal requirements of the United States [; *Provided further*, That the dollar value of the unexpended balances, as of June 30, 1960, of allocations of foreign currencies heretofore made to the Department of State for the purposes of section 104(h) and section 104(j) is appropriated as of that date and shall be merged with this appropriation]. (*Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by Activities:			
1. Aid to American-sponsored schools.....	2,816	4,078	3,018
2. Educational exchange:			
(a) Academic exchanges (Public Law 584).....	4,597	7,600	8,141
(b) Academic, leader, and specialist exchanges (Public Law 402).....		990	1,460
3. Educational development.....		660	3,347
4. Chairs and workshops.....		1,372	375
Total obligations (object class 41).....	7,413	14,700	16,341
Financing:			
Unobligated balance brought forward.....	-12,391	-36,525	-28,425
Recovery of prior year obligations.....	-14		
Adjustment due to change in exchange rates to permit conversion to dollar equivalents.....	365		
Authorization to expend foreign currency receipts (net of appropriation to cover balance as of June 30, 1960).....	7,890		
Unobligated balance carried forward.....	36,525	28,425	20,284
Unobligated balance lapsing (authorization to expend foreign currency receipts).....	1,139		
New obligational authority (appropriation)	40,927	6,600	8,200

Note.—The gross foreign currency authorization for 1960 was \$33,037 thousand. The schedule above covers foreign currency authorizations for 1960. The appropriation made for 1960 was equal to the unexpended balance of previous foreign currency authorizations as of June 30, 1960. All transactions in 1961 and 1962 relate to appropriations.

Certain foreign currencies derived from the sale of agricultural commodities under title I of the Agricultural Trade Development and Assistance Act of 1954 are available to the U.S. Government for certain international educational and cultural activities when purchased with appropriated dollars. An appropriation of \$8.2 million, to remain available until expended, is requested for 1962 for the purchase of such currencies excess to the normal requirements of the United States or restricted by international agreement from use for the general expenses of the United States.

Programs financed from this appropriation will provide for: (1) Aid to American-sponsored schools abroad; (2) educational exchange programs authorized by the Fulbright amendment to the Surplus Property Act of 1944 (60 Stat. 754), and the interchange of persons as authorized under title II of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1446); (3) special educational development programs between American and foreign universities; and (4) the establishment and support of workshops (seminars) and university chairs of American studies abroad. Totals presented in the program narrative of the regular international educational exchange activities appropriation summarize the total educational exchange program of the Department of State. Dollar support for the latter two of these programs is planned to be obtained principally from private sources. The regular international educational exchange appropriation includes \$275 thousand for aid to American-sponsored schools and finances most costs of the exchange of persons programs.

Obligations by area are estimated as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
American republics.....	556	2,858	1,850
Western Europe.....	2,062	2,226	1,856
Eastern Europe.....		231	1,550
Far East.....	1,120	3,030	2,093
Near East and South Asia.....	3,674	6,104	8,942
Africa.....		250	50
Total obligations	7,413	14,700	16,341

Analysis of Expenditures (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Obligated balance brought forward.....	3,817		
Obligations incurred during year.....	7,398		
Adjustment due to change in exchange rates to permit conversion to dollar equivalent.....	-210		
Obligated balance transferred to appropriations.....	-4,402		
Expenditures	6,603		

Status of Unfunded Allocations (in thousands of dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Unfunded balance brought forward.....	13,172		
Allocations.....	33,037		
Unfunded balance lapsing.....	-1,139		
Adjustment due to change in exchange rates to permit conversion to dollar equivalent.....	-389		
Unfunded balance transferred to appropriation.....	-12,752		
Transfers into agency account	31,929		

CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

To enable the Secretary of State to provide for carrying out the provisions of the Center for Cultural and Technical Interchange Between East and West Act of 1960, by grant to any appropriate agency of the State of Hawaii, [\$10,000,000] \$9,693,000. (74 Stat. 141; *Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Operating expenses.....		449	1,279
2. Scholarships and grants.....		1,390	2,890
3. Construction.....		8,161	5,524
Total obligations (object class 41)		10,000	9,693
Financing:			
New obligational authority (appropriation)		10,000	9,693

Chapter VII of the Mutual Security Act of 1960 authorized the establishment and operation of a Center for Cultural and Technical Interchange Between East and West to promote better relations and understanding between the United States and the nations of Asia and the Pacific. This program will be carried out through a grant to the University of Hawaii, which will construct and operate the Center, and provide grants, fellowships, and scholarships to qualified persons to engage in study or training at the Center.

EDUCATIONAL EXCHANGE—Continued

Permanent authorizations:

EDUCATIONAL EXCHANGE PERMANENT APPROPRIATIONS

(Indefinite special funds)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. "Educational exchange fund, payments by Finland, World War I debt".....	352	877	587
2. "Educational fund, interest payments by the Government of India".....	621	306	37
Total obligations.....	973	1,183	624
Financing:			
Unobligated balance brought forward.....	-1,563	-1,017	-231
Recovery of prior year obligation.....	-30		
Unobligated balance carried forward.....	1,017	231	4
New obligational authority (appropriation)	397	397	397

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 1960 the exchange of 43 Finns and 1 American was financed in full from this fund and 56 grants to Finns and Americans under the Fulbright program were supplemented. The amount of \$89 thousand 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, 1960, a total of \$4,657 thousand had been obligated for this purpose (65 Stat. 71).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE			
11 Personnel compensation: Permanent positions.....	13	18	
12 Personnel benefits.....	1	1	
25 Other services.....	36	119	75
41 Grants, subsidies, and contributions.....	325	804	462
Total obligations, Department of State.....	375	942	537
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	59	65	27
Other personnel compensation.....	1		
Total personnel compensation.....	60	65	27
12 Personnel benefits.....	14	15	4
21 Travel and transportation of persons.....	10	14	5
25 Other services.....	2	1	1
26 Supplies and materials.....		1	
41 Grants, subsidies, and contributions.....	512	145	50
Total allocation accounts.....	598	241	87
Total obligations.....	973	1,183	624

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Obligations are distributed as follows:			
Department of State.....	375	942	537
United States Information Agency.....	557	241	87
Department of Health, Education, and Welfare.....	41		

Personnel Summary

DEPARTMENT OF STATE			
Total number of permanent positions.....	3	3	
Average number of all employees.....	2	3	
Number of employees at end of year.....	3	0	
Average GS grade.....	7.3	7.3	
Average GS salary.....	\$5,582	\$6,088	
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	22	21	16
Average number of all employees.....	19	17	8
Number of employees at end of year.....	21	15	0
Average GS grade.....	7.0	7.0	7.0
Average GS salary.....	\$5,836	\$6,327	\$6,327
Average grade and salary, grades established by the Foreign Service Act of 1946 (22 U.S.C. 801-1158):			
Average grade: Foreign Service staff.....	4.7	4.0	4.0
Average salary: Foreign Service staff.....	\$8,993	\$10,255	\$10,400
Average salary of ungraded positions: Local rates.....	\$1,250	\$1,250	\$1,250

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)] *title 23, United States Code, section 213*, and the Act of September 2, 1958 (72 Stat. 1709), \$1,000,000 to remain available until expended: *Provided*, That transfer of funds may be made from this appropriation to the Department of Commerce for the performance of work for which the appropriation is made. (*Department of State Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction (total obligations).....		2,270	1,000
Financing:			
Unobligated balance brought forward.....	-270	-1,270	
Unobligated balance carried forward.....	1,270		
New obligational authority (appropriation)	1,000	1,000	1,000

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. The appropriation requested for 1962 will permit further progress on the road.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....	44	48	48
Other personnel compensation.....	6	6	6
Total personnel compensation.....	50	54	54
12 Personnel benefits.....	4	5	5
21 Travel and transportation of persons.....	3	3	3
22 Transportation of things.....	5	5	5
23 Rent, communications, and utilities.....	1	1	1
25 Other services: Services of other agencies.....	9	9	9
26 Supplies and materials.....	41	41	41
32 Lands and structures.....		2,152	882
Subtotal.....	113	2,270	1,000
Deduct portion of foregoing originally charged to object class 32.....	113		
Total obligations.....		2,270	1,000

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	6	6	6
Average number of all employees.....	4	4	4
Number of employees at end of year.....	2	2	2
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

[PAN AMERICAN HEALTH ORGANIZATION BUILDING SITE]

For necessary expenses of carrying out the provisions of the Act of March 28, 1960 (Public Law 86-395), authorizing the acquisition of land for conveyance, without consideration, to the Pan American Health Organization for use as a headquarters site, \$875,000, to be transferred to the General Services Administration. (Department of State Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Acquisition of building site (total obligations) (object class 32).....		875	
Financing:			
New obligational authority (appropriation).....		875	

This appropriation is to acquire land to be donated to the Pan American Health Organization for use as a headquarters building site.

[PAYMENT TO THE GOVERNMENT OF JAPAN FOR BONIN ISLANDERS' CLAIMS]

For payment to the Government of Japan for settlement of all claims of displaced residents of the Bonin Islands, as authorized by the Act of June 1, 1960 (Public Law 86-486), \$6,000,000. (Department of State Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total obligations) (object class 42).....		6,000	
Financing:			
New obligational authority (appropriation).....		6,000	

This appropriation provides for payment to the Government of Japan for settlement of all claims of displaced Bonin Islanders.

[PRESENTATION OF A STATUE TO URUGUAY]

For expenses necessary to provide for a statue of George Washington, to be presented to the people of Uruguay, as authorized by the Act of September 21, 1959 (Public Law 86-345), \$18,000. (Department of State Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Presentation of a statue to Uruguay (total obligations).....		18	
Financing:			
New obligational authority (appropriation).....		18	

This appropriation provides for the presentation of a statue of George Washington to the people of Uruguay.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		3	
22 Transportation of things.....		1	
25 Other services.....		14	
Total obligations.....		18	

PAYMENT OF MISCELLANEOUS CLAIMS OF FOREIGN GOVERNMENTS (Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims to foreign governments (total obligations) (object class 42).....	20		
Financing:			
New obligational authority (appropriation).....	20		

THIRD PAN AMERICAN GAMES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Expenses, Third Pan American Games (total obligations) (object class 21).....	498		
Financing:			
Unobligated balance brought forward.....	-500		
Unobligated balance lapsing.....	2		
New obligational authority (appropriation).....			

OTHER—Continued**Permanent authorizations—Continued**

PAYMENT TO THE REPUBLIC OF PANAMA

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to the Republic of Panama (total obligations) (object class 41).....	1,930	1,930	1,930
New obligational authority (appropriation)	1,930	1,930	1,930

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 thousand, of which \$430 thousand is reimbursed to the Treasury by the Panama Canal Company. If proposed legislation is enacted, the Company would reimburse the Treasury for the entire payment.

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Counterpart Funds, Foreign Currency, Section 708(c), Public Law 83-118, July 16, 1953

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Functions under sec. 502(b) of Public Law 665 (total obligations) (object class 21).....	632	-----	-----
Financing:			
Unobligated balance brought forward.....	-517	-580	-580
Adjustment due to changes in exchange rates to permit conversion to dollar equivalents.....	4	-----	-----
Unobligated balance carried forward.....	580	580	580
Authorization to expend foreign currency receipts (22 U.S.C. 1754(b)).....	699	-----	-----

Analysis of Expenditures

	1960 actual	1961 estimate	1962 estimate
Obligations incurred.....	632	-----	-----
Expenditures.....	632	-----	-----

Proposed for later transmission:

PAYMENT OF PHILIPPINE WAR DAMAGE CLAIMS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total obligations).....	-----	-----	49,000
Financing:			
New obligational authority (proposed supplemental appropriation).....	-----	-----	49,000

Under proposed legislation, 1962.—A supplemental appropriation is anticipated to provide payment to the Philippine Government to settle war damage claims of \$73 million against the United States. An offset will be made for any amounts then owed the U.S. Government by the Philippine Government under the agreement of November 6, 1950. Such amounts currently total approximately \$24 million.

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, 1961.)

TREASURY DEPARTMENT

BUDGET AUTHORIZATIONS AND EXPENDITURES

BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From obligational authority
OFFICE OF THE SECRETARY									
Current authorizations:									
Salaries and expenses.....	604	3,337	3,385	169	3,755	3,291	3,544	3,734	3,521
Subscription to the International Development Association.....	152		73,667		61,656		73,667	61,656	61,656
Investment in Inter-American Development Bank.....	152	280,000			110,000	80,000		110,000	110,000
Permanent authorizations:									
Expenses of administration of settlement of War Claims Act of 1928 (indefinite special fund).....	604	18	11		6	18	11	6	5
Federal control of transportation systems (indefinite special fund).....	518					5	3	1	
Public enterprise funds:									
Liquidation of corporate assets:									
Reconstruction Finance Corporation liquidation fund.....	518								
Limitation on administrative expenses, Reconstruction Finance Corporation liquidation fund.....		(90)	(75)		(65)	-14,267	-2,067	-3,792	
Civil defense loans: Civil defense program fund.....	520					-145	-136	-138	
Intragovernmental funds:									
Advances and reimbursements.....	604					8			
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Salaries and expenses.....	604			12			11	1	
Total, Office of the Secretary.....		283,355	77,063	181	175,417	68,910	75,033	171,468	175,182
BUREAU OF ACCOUNTS									
Current authorizations:									
Salaries and expenses.....	604	3,489	3,590	118	3,772	3,410	3,644	3,752	3,404
Salaries and expenses, Division of Disbursement.....	604	22,000	23,300	621	26,315	24,612	20,977	26,254	21,976
Claims, judgments, and relief acts.....	610	7,229	19,895			7,417	20,158		
Permanent authorizations:									
Claims, judgments, and relief acts:									
Definite.....	610	2	2		2	2	2	2	2
Indefinite.....	610	3,888	5,000		5,000	3,888	5,000	5,000	5,000
Interest on uninvested funds (indefinite).....	653	9,792	9,859		10,107	9,792	9,859	10,107	10,107
Payment to Unemployment trust fund (indefinite).....	211	2,553				2,553			
Public enterprise funds:									
Fund for payment of Government losses in shipment (current appropriation).....	604		100			36	39	39	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Salaries and expenses, Division of Disbursement.....	604			291			226	65	
Total, Bureau of Accounts.....		48,952	61,746	1,030	45,196	51,709	59,905	45,219	40,489
BUREAU OF THE PUBLIC DEBT									
Current authorizations:									
Administering the public debt.....	604	48,500	46,850	1,093	48,200				
Reappropriation.....	604		375			47,798	48,470	48,244	44,502
Total, Bureau of the Public Debt.....		48,500	47,225	1,093	48,200	47,798	48,470	48,244	44,502
OFFICE OF THE TREASURER									
Current authorizations:									
Salaries and expenses.....	604	17,463	16,700	344	16,925	17,219	17,063	16,920	16,430
Public enterprise funds:									
Check forgery insurance fund.....	604					-3	-7	5	
Total, Office of the Treasurer.....		17,463	16,700	344	16,925	17,216	17,056	16,925	16,430

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)				BUDGET EXPENDITURES			
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
BUREAU OF CUSTOMS									
Current authorizations:									
Salaries and expenses.....	604	54,245	56,220	3,687	63,400	53,850	59,602	63,247	59,676
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Salaries and expenses.....	604			160			151	9	
Total, Bureau of Customs.....		54,245	56,220	3,847	63,400	53,850	59,753	63,256	59,676
INTERNAL REVENUE SERVICE									
Current authorizations:									
Salaries and expenses.....	604	364,250	388,000	25,903	449,800	360,130	412,452	445,732	421,882
Permanent authorizations:									
Refunding internal revenue collections, interest (indefinite).....	652	76,438	82,764		82,764	76,438	82,764	82,764	82,764
Internal revenue collections for Puerto Rico (indefinite special fund).....	609	22,698	23,000		23,000	22,934	22,990	23,000	21,500
Intragovernmental funds:									
Advances and reimbursements.....	604					17			
Total, Internal Revenue Service.....		463,386	493,764	25,903	555,564	459,519	518,206	551,496	526,146
BUREAU OF NARCOTICS									
Current authorizations:									
Salaries and expenses.....	608	4,080	4,100	232	4,462	4,018	4,278	4,472	4,232
UNITED STATES SECRET SERVICE									
Current authorizations:									
Salaries and expenses.....	608	4,466	4,127	273	4,900	4,045	4,509	4,922	4,678
Salaries and expenses, White House Police.....	603	1,055	1,065	76	1,148	1,040	1,167	1,148	1,103
Salaries and expenses, guard force.....	604	338	332	24	358	317	364	358	344
Permanent authorizations:									
Contribution for annuity benefits (indefinite).....	603	239	293		293	239	293	293	293
Total, United States Secret Service.....		6,098	5,817	373	6,699	5,641	6,333	6,721	6,418
BUREAU OF THE MINT									
Current authorizations:									
Salaries and expenses.....	604	4,600	5,400	150	6,350	4,555	5,550	6,350	5,832
Permanent authorizations:									
Minor coinage profits, etc. (indefinite special fund).....	604	371	440		420	370	450	420	220
Silver profit fund (indefinite special fund).....	604	412	615		540	490	600	540	340
Total, Bureau of the Mint.....		5,383	6,455	150	7,310	5,415	6,600	7,310	6,392
BUREAU OF ENGRAVING AND PRINTING									
Current authorizations:									
Emergency repairs to the Bureau of Engraving and Printing Annex Building.....	604		1,250				500	750	
Intragovernmental funds:									
Bureau of Engraving and Printing fund.....	604					-663	299	-201	
Total, Bureau of Engraving and Printing.....			1,250			-663	799	549	
COAST GUARD									
Current authorizations:									
Operating expenses.....	510	189,800	205,000	450	212,500	184,467	199,507	205,000	184,000
Acquisition, construction, and improvements.....	510	23,250	30,000		36,500	11,408	18,000	22,000	9,000
Retired pay.....	510	29,500	30,000		30,750	28,955	29,000	29,397	29,000
Reserve training.....	510	15,500	16,000		16,000	15,389	15,500	15,500	13,500
Intragovernmental funds:									
Coast Guard supply fund.....	510					-515	-70		
Coast Guard yard fund.....	510					-1,572	-131	186	
Total, Coast Guard.....		258,050	281,000	450	295,750	238,131	261,806	272,083	235,500

BUDGET AUTHORIZATIONS AND EXPENDITURES—Continued
BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
INTEREST ON THE PUBLIC DEBT									
Permanent authorizations:									
Interest on the public debt (indefinite).....	651	9,179,589	8,900,000	-----	8,500,000	9,179,589	8,900,000	8,500,000	8,500,000
Total new obligational authority and budget expenditures.....		10,369,100	9,951,340	33,603	9,718,923	10,131,135	9,958,239	9,687,743	9,614,967
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		1,073,100	928,981	-----	1,096,791	10,131,135	9,926,752	9,685,627	9,614,967
Reappropriations.....			375	-----					
Permanent authorizations:									
Appropriations.....		9,296,000	9,021,984	-----	8,622,132				
Proposed for later transmission:									
Pay increase supplemental appropriations.....			33,140	-----			31,099	2,041	-----
Other: Appropriations.....			463	-----			388	75	-----
Total new obligational authority and budget expenditures.....		10,369,100	9,984,943		9,718,923	10,131,135	9,958,239	9,687,743	9,614,967

MEMORANDUM

REFUNDS OF RECEIPTS									
Permanent authorizations:									
Bureau of Accounts: Refund of moneys erroneously received and covered (indefinite).....		1,422	1,400	-----	1,400	1,422	1,400	1,400	1,400
Bureau of Customs: Refunds and drawbacks (indefinite).....		18,483	18,500	-----	18,500	18,483	18,500	18,500	18,500
Internal Revenue Service: Refunding internal revenue collections (indefinite):									
Existing legislation.....		5,217,133	5,533,679	-----	5,986,825	5,127,943	5,429,679	5,859,825	5,859,825
Proposed legislation.....				-----	-229,000			-229,000	-229,000
Total, refunds of receipts.....		5,237,038	5,553,579		5,777,725	5,147,848	5,449,579	5,650,725	5,650,725
STATUTORY PUBLIC DEBT RETIREMENTS									
Cumulative sinking fund (permanent indefinite).....		633,349	657,099	-----	680,849		1,000,000		

EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			BUDGET EXPENDITURES		
		1960	1961	1962	1960	1961	1962	1960	1961	1962
OFFICE OF THE SECRETARY										
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund.....	518	88	80	68	14,355	2,147	3,860	-14,267	-2,067	-3,792
Civil defense loans: Civil defense program fund.....	520	28	26	19	173	162	157	-145	-136	-138
BUREAU OF ACCOUNTS										
Fund for payment of Government losses in shipment....	604	36	40	40	1	1	1	36	39	39
OFFICE OF THE TREASURER										
Check forgery insurance fund.....	604	185	190	200	188	197	195	-3	-7	5
Total, public enterprise funds.....		337	336	327	14,717	2,507	4,213	-14,379	-2,171	-3,886

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Investment in Inter-American Development Bank, Office of the Secretary.....			200,000	200,000	200,000	200,000	200,000	200,000
Expenses of administration of settlement of War Claims Act of 1928, Office of the Secretary (indefinite special account).....	2	3	2	3	2	3	2	3
Federal control of transportation systems, Office of the Secretary (indefinite special account).....	45	45	40	40	37	37	26	36
Salaries and expenses, Bureau of Customs.....	300	6,359	300	6,722	300	7,027	300	7,180
Salaries and expenses, Internal Revenue Service.....		19,347		22,504		23,955		28,023
Minor coinage profits, etc., Bureau of the Mint (indefinite special fund).....	209	209	210	210	200	200	200	200
Silver profit fund, Bureau of the Mint (indefinite special fund).....	263	263	185	185	200	200	200	200
Operating expenses, Coast Guard.....		20,995		24,849		30,792		38,292
Acquisition, construction, and improvements, Coast Guard.....	10,760	42,482	16,952	54,325	107	66,325	107	80,825
Other.....		14,136		11,359		16,115		17,249
Subtotal.....	11,579	103,839	217,689	320,195	200,846	344,654	200,845	372,008
Balances of anticipated pay increase supplementals included above.....						-2,041		
Total, appropriations.....	11,579	103,839	217,689	320,195	200,846	342,613	200,845	372,008
Authorizations to expend from debt receipts:								
Investment in International Bank for Reconstruction and Development, Office of the Secretary.....	5,715,000	5,715,000	5,715,000	5,715,000	5,715,000	5,715,000	5,715,000	5,715,000
Civil defense program fund, Office of the Secretary.....	246,850	249,280	247,299	249,425	247,657	249,565	248,047	249,705
Total, authorizations to expend from debt receipts.....	5,961,850	5,964,280	5,962,299	5,964,425	5,962,657	5,964,565	5,963,047	5,964,705
Revolving and management funds:								
Reconstruction Finance Corporation liquidation fund, Office of the Secretary.....	1,030	3,557	675	2,324	342	416	196	328
Advances and reimbursements, Office of the Secretary.....	9	9	1	1				
Fund for payment of Government losses in shipment, Bureau of Accounts.....	79	114	78	78	139	139	100	100
Check forgery insurance fund, Office of the Treasurer.....	44	9	43	12	43	19	43	14
Bureau of Engraving and Printing fund.....	-2,469	3,200	-331	3,863	89	3,564	290	3,765
Coast Guard supply fund.....	873	1,955	1,043	2,470	1,116	2,540	1,116	2,540
Coast Guard yard fund.....	418	1,346	1,260	2,917	893	3,048	715	2,862
Other.....		30		13		9		7
Total, revolving and management funds.....	-16	10,220	2,769	11,678	2,622	9,735	2,460	9,616
Proposed for later transmission:								
Appropriations, other than pay increase supplementals.....						75		
Anticipated pay increase supplemental appropriations.....						2,041		
Total, proposed for later transmission.....						2,116		
Total, Treasury Department.....	5,973,412	6,078,340	6,182,759	6,296,299	6,166,125	6,319,029	6,166,352	6,346,329

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority.....	10,369,100	9,984,943	9,718,923
Unobligated balances brought forward, start of year.....	5,973,412	6,182,759	6,166,125
Unobligated balances lapsing (-).....	-3,336		
Capital transfers from revolving funds to receipt accounts (-).....	-15,500	-3,975	-3,880
Unobligated balances carried forward, end of year (-).....	-6,182,759	-6,166,125	-6,166,352
Obligations incurred, net.....	10,140,917	9,997,602	9,714,816
Obligated balances brought forward, start of year.....	104,928	113,540	152,904
Adjustments of obligated balances in expired accounts.....	-1,170		
Obligated balances carried forward, end of year (-).....	-113,540	-152,904	-179,977
Budget expenditures.....	10,131,135	9,958,239	9,687,743

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
International affairs and finance:						
152 Economic and financial assistance.....	280,000	73,667	171,656	80,000	73,667	171,656
Labor and welfare:						
211 Labor and manpower.....	2,553			2,553		
Commerce, housing, and space technology:						
510 Promotion of water transportation.....	258,050	281,450	295,750	238,132	261,806	272,083
518 Other aids to business.....				-14,262	-2,064	-3,791
520 Civil and defense mobilization.....				-145	-136	-138
Total, commerce, housing, and space technology.....	258,050	281,450	295,750	223,725	259,606	268,154
General government:						
603 Executive direction and management.....	1,294	1,434	1,441	1,279	1,460	1,441
604 Central fiscal operations.....	519,023	579,140	619,841	515,455	573,946	616,225
608 Protective services and alien control.....	8,546	8,732	9,362	8,063	8,787	9,394
609 Territories and possessions, and the District of Columbia.....	22,698	23,000	23,000	22,934	22,990	23,000
610 Other general government.....	11,119	24,897	5,002	11,307	25,160	5,002
Total, general government.....	562,680	637,203	658,646	559,038	632,343	655,062
Interest:						
651 Interest on the public debt.....	9,179,589	8,900,000	8,500,000	9,179,589	8,900,000	8,500,000
652 Interest on refunds of receipts.....	76,438	82,764	82,764	76,438	82,764	82,764
653 Interest on uninvested funds.....	9,792	9,859	10,107	9,792	9,859	10,107
Total, interest.....	9,265,819	8,992,623	8,592,871	9,265,819	8,992,623	8,592,871
Total, Treasury Department.....	10,369,100	9,984,943	9,718,923	10,131,135	9,958,239	9,687,743

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; **[\$3,385,000]** \$3,755,000. (5 U.S.C. 3, 22, 22(a), 22-1, 133z-15, 241, 242, 244, 245(a), 246, 246(a), 2131, 2201, 2203, 2205; 57 Stat. 230; Reconstruction Finance Corporation Liquidation Act (67 Stat. 231); Treasury-Post Office Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction.....	1,498	1,655	1,797
2. Administration and coordination of legal services.....	357	399	403
3. General administrative services.....	653	702	716
4. Operation and maintenance of Treasury buildings.....	740	754	774
5. Employee health program.....	62	67	67
Total program costs.....	3,310	3,577	3,755
6. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—23	
Obligations incurred for costs of other years, net.....	24		
Total obligations.....	3,334	3,554	3,755
Financing			
Unobligated balance lapsing.....	3		
New obligational authority.....	3,337	3,554	3,755
New obligational authority:			
Appropriation.....	3,300	3,385	3,755
Transferred from "Salaries and expenses," Office of the Treasurer (74 Stat. 51).....	37		
Appropriation (adjusted).....	3,337	3,385	3,755
Proposed supplemental due to pay increases.....		169	

This appropriation, in addition to paying the salaries of the Secretary and his assistants, provides for the executive direction of the various functions of the Department, general supervision of the legal activities of the several bureaus, and for general administrative services, including maintenance of the main Treasury Building and its annex, and health services for Treasury employees in Washington, D.C.

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$7 thousand; 1960, \$31 thousand; 1961, \$8 thousand; 1962 \$8 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,742	2,930	3,119
Positions other than permanent.....	3	3	3
Other personnel compensation.....	34	28	18
Total personnel compensation.....	2,778	2,961	3,140

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	187	220	232
21 Travel and transportation of persons.....	14	21	31
23 Rent, communications, and utilities.....	160	167	167
24 Printing and reproduction.....	15	15	15
25 Other services.....	19	17	17
Services of other agencies.....	72	80	80
26 Supplies and materials.....	69	53	53
31 Equipment.....	19	20	20
Total obligations.....	3,334	3,554	3,755

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	418	412	414
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	396	386	403
Number of employees at end of year.....	377	386	403
Average GS grade.....	8.5	8.6	8.9
Average GS salary.....	\$7,303	\$8,153	\$8,308
Average salary of ungraded positions.....	\$4,671	\$4,610	\$4,712

SUBSCRIPTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment of the [first] second installment of the subscription of the United States to the International Development Association, **[\$73,666,700]** \$61,656,000, to remain available until expended. (Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Investment in International Development Association (total costs—obligations) (object class 33).....		73,667	61,656
Financing:			
New obligational authority (appropriation).....		73,667	61,656

Public Law 86-565, approved June 30, 1960 (74 Stat. 293), authorized membership of the United States in the International Development Association and authorized \$320,290 thousand to be appropriated for subscription to the Association.

The International Development Association is an international organization affiliated with the International Bank to provide development financing on flexible terms for the Association's less developed member countries. Most of its initial resources are being provided by countries other than the United States. While the U.S. subscription is about \$320 million, the other economically stronger member countries will provide about \$443 million of the \$763 million to be subscribed by the countries as a group. Total subscriptions, including those of the less developed countries, are scheduled at \$1 billion; the U.S. subscription represents about 32% of this total.

Subscriptions are to be paid by the members in five annual installments. The first installment of \$73,667 thousand was paid within 30 days after the International Development Association began operations. Four additional installments of \$61,656 thousand each are planned for payment in 1962, 1963, 1964, and 1965.

INVESTMENT IN INTER-AMERICAN DEVELOPMENT BANK

For payment of subscriptions to the Inter-American Development Bank, to remain available until expended, \$110,000,000 of which

\$60,000,000 is for the second installment on paid-in capital stock and \$50,000,000 is for payment of the second installment of the subscription of the United States to the fund for special operations.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Investment in Inter-American Development Bank (total costs—obligations) (object class 33).....	80,000	-----	110,000
Financing:			
Unobligated balance brought forward.....	-----	-200,000	-200,000
Unobligated balance carried forward.....	200,000	200,000	200,000
New obligational authority (appropriation)	280,000	-----	110,000

Public Law 86-147, approved August 7, 1959 (73 Stat. 299), provided for membership of the United States in the Inter-American Development Bank, and authorized an appropriation of \$450 million to cover the U.S. subscription to the Bank. The Bank is an institution sponsored by the nations of the Organization of American States and is designed to accelerate the economic development of the American republics by providing capital and technical assistance and by encouraging private investment in development projects.

The U.S. subscription falls into three categories. The first is a subscription of \$150 million for paid-in shares of capital stock, payable in three installments. The first installment of \$30 million was paid in June 1960. The second and third installments of \$60 million each are to be paid not sooner than September 30, 1961, and September 30, 1962, respectively. The second category is \$200 million of callable capital stock which can be called only to meet obligations of the Bank on securities which it has issued in the private financial market or on loans which it has guaranteed. The third category is a subscription quota of \$100 million in the fund for special operations of the Bank. Fifty million dollars was paid in June 1960, and \$50 million must be paid in such installments as the Bank may provide but not later than the date fixed for the payment of the third installment of the paid-in capital stock.

Additional funds requested for 1962, will provide \$60 million for payment of the second installment on paid-in capital stock to be paid not sooner than September 30, 1961, and \$50 million for payment of the second installment of the U.S. subscription to the fund for special operations.

INVESTMENT IN INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward (authorization to expend from public debt receipts).....	-5,715,000	-5,715,000	-5,715,000
Unobligated balance carried forward (authorization to expend from public debt receipts).....	5,715,000	5,715,000	5,715,000
New obligational authority (appropriation)	-----	-----	-----

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. On June 17, 1959 (73 Stat. 80), the Bretton Woods Agreement Act was amended to increase the U.S. subscription to callable capital stock in the amount of \$3,175 million.

The United States paid \$635 million of the original subscription in cash and non-interest-bearing nonnegotiable notes. The remaining balance of obligational authority (\$5,715 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.

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Revolving fund, Defense Production Act," funds appropriated to the President.

Permanent authorizations:

OFFICE OF THE SECRETARY PERMANENT APPROPRIATIONS

(Indefinite special funds)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. "Expenses of administration of settlement of War Claims Act of 1928".....	18	11	6
2. "Federal control of transportation systems".....	5	3	1
Total program costs—obligations.....	23	14	7
Financing:			
Unobligated balance brought forward.....	-47	-42	-39
Unobligated balance carried forward.....	42	39	38
New obligational authority (appropriation): "Expenses of administration of settlement of War Claims Act of 1928".....	18	11	6

1. *Expenses of administration of settlement of War Claims Act of 1928.*—Funds from the German deposit fund are deposited in a receipt account and appropriated for a portion of the administrative expenses incurred in paying awards under the settlement of War Claims Act of 1928 (45 Stat. 262).

2. *Federal control of transportation systems.*—Expenditures are for compensation payments to former employees of the railroads who were injured during the period of Federal control during World War I.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	22	12	6
12 Personnel benefits.....	1	1	-----
42 Insurance claims and indemnities.....	-----	1	1
Total obligations.....	23	14	7

OFFICE OF THE SECRETARY—Continued

Permanent authorizations—Continued

OFFICE OF THE SECRETARY PERMANENT APPROPRIATIONS—CON.

(Indefinite special funds)—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	4	4	1
Average number of all employees.....	4	1	1
Number of employees at end of year.....	4	1	1
Average GS grade.....	6.2	6.2	5.0
Average GS salary.....	\$5,398	\$5,970	\$5,678

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 current fiscal year for the following functions, except as hereinafter provided: (*Treasury Department Appropriation Act, 1961.*)

RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Expense.....	88	80	68
Decrease in valuation allowances on loans (-).....	-50	-325	-7,700
Writeoff of loans.....			6,200
Total program costs.....	38	-245	-1,432
Unfunded adjustments to total program costs:			
Decrease in valuation allowances.....	50	325	7,700
Writeoff of loans (-).....			-6,200
Total program costs—obligations.....	88	80	68
Financing:			
Amounts becoming available:			
Revenue and receipts:			
Loans repaid.....	12,852	1,322	3,216
Revenue.....	1,159	765	513
Adjustment of prior year revenue.....	66		
Recovery of prior year obligations.....	1,156	1,635	73
Total amounts becoming available.....	15,233	3,722	3,802
Unobligated balance brought forward.....	1,030	675	342
Total amounts available.....	16,263	4,397	4,144
Capital transfer (repayment of investment to Treasury) (-).....	-15,500	-3,975	-3,880
Unobligated balance carried forward.....	-675	-342	-196
Financing applied to program.....	88	80	68

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 Secretary of the Treasury, the Administrator of Small Business, the Housing and Home Finance Administrator, and the Administrator of General Services. The Secretary of the Treasury is responsible for completing the liquidation of business loans and securities with individual balances of

\$250 thousand or more as of June 30, 1957, securities of and loans to railroads, and securities of financial institutions, and for the windup of corporate affairs.

Budget program.—Liquidation transactions in 1960 produced net budget receipts of \$14,267 thousand and it is estimated that transactions in 1961 and 1962 will produce net budget receipts of \$2,067 thousand and \$3,792 thousand, respectively.

The progress made and anticipated in the liquidation of the assets transferred to the Secretary of the Treasury is summarized in the following table (in thousands of dollars):

	July 1, 1957	1960 actual	1961 estimate	1962 estimate
Outstanding at end of year:				
Financial institutions.....	4,800			
Railroads.....	8,500	5,900	5,700	5,500
Other business enterprises:				
Loans.....	36,900	12,100	11,000	1,800
Undisbursed authorizations.....	800			
Deferred participation commitments.....	4,500	2,000	400	300
Assets acquired in liquidation of loan indebtedness.....	100	200	100	100
Other assets.....	600	200	200	100
Total.....	56,200	20,400	17,400	7,800

A limitation is placed on administrative expenses. The reduction of \$10 thousand from 1961 to 1962 is attributable to a declining workload.

Operating results.—Excess proceeds of liquidation are paid into the Treasury as miscellaneous receipts. During 1960 these receipts amounted to \$15,500 thousand and it is estimated that \$3,975 thousand and \$3,880 thousand will be paid in 1961 and 1962, respectively.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	88	80	68
Receipts from operations (funds provided):			
Loans repaid.....	12,852	1,322	3,216
Revenue.....	1,159	765	513
Adjustment of prior year revenue.....	66		
Decrease in selected working capital.....	278	60	131
Total receipts from operations.....	14,355	2,147	3,860
Budget expenditures.....	-14,267	-2,067	-3,792

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	1,159	765	513
Expense.....	88	80	68
Total operating income.....	1,071	685	445
Nonoperating income or loss (-):			
Decrease in valuation allowances on loans.....	50	325	7,700
Writeoff of loans.....			-6,200
Net nonoperating income.....	50	325	1,500
Net income for the year.....	1,121	1,010	1,945
Analysis of equity of Treasury:			
Equity of Treasury, beginning of year.....	25,308	10,995	8,030
Repayment of investment to Treasury (-).....	-15,500	-3,975	-3,880
Adjustment of prior year revenue.....	66		
Equity of Treasury, end of year.....	10,995	8,030	6,095

Financial Condition (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	2,324	416	328
Accounts receivable, net.....	201	186	70
Collateral acquired in liquidation of loans (at lower of cost or appraised values).....	205	156	126
Loans receivable, net.....	8,294	7,297	5,581
Total assets	11,024	8,055	6,105
Liabilities:			
Current.....	29	25	10
Government investment:			
Non-interest-bearing capital: Equity of Treasury.....	10,995	8,030	6,095

Status of Certain Fund Balances (in thousands of dollars)				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	3,557	2,324	416	328
Obligated balance, net:				
Current liabilities.....	144	29	25	10
Undisbursed loan obligations.....	3,182	2,026	391	318
Accounts and other receivables, net (-).....	-799	-406	-342	-196
Total obligated balance	2,527	1,649	74	132
Unobligated balance.....	1,030	675	342	196

LIMITATION ON ADMINISTRATIVE EXPENSES, RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

Not to exceed **[\$75,000] \$65,000** (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, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Liquidation of lending program.....	83	75	65
Deduct portion not chargeable to limitation.....	5		
Total accrued expenses—costs	78	75	65
Financing:			
Unobligated balance lapsing.....	12		
Limitation	90	75	65

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	70	66	57
12 Personnel benefits.....	4	4	4
21 Travel and transportation of persons.....	1	1	1
23 Rent, communications, and utilities.....	1	1	1
25 Other services.....	1	1	1
Services of other agencies.....	1	1	1
Total accrued expenses—costs	78	75	65

Personnel Summary

Total number of permanent positions.....	9	7	5
Average number of all employees.....	8	6	5
Number of employees at end of year.....	7	5	2
Average GS grade.....	10.8	10.7	12.2
Average GS salary.....	\$9,580	\$10,507	\$11,710

CIVIL DEFENSE LOANS

CIVIL DEFENSE PROGRAM FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Interest on borrowings (total obligations) (object class 43).....	28	23	17
Financing:			
Amounts becoming available: Revenue and receipts:			
Loan repayments.....	105	105	107
Interest on loans.....	65	57	50
Total amounts becoming available	170	162	157
Unobligated balance brought forward (authorization to expend from public debt receipts).....	246,849	247,299	247,657
Recovery of prior year obligations.....	308	219	250
Total amounts available	247,327	247,680	248,064
Unobligated balance carried forward (authorization to expend from public debt receipts).....	-247,299	-247,657	-248,047
Financing applied to program	28	23	17

The Secretary of the Treasury is authorized to purchase securities or make loans (including participations therein and guarantees 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 sole program cost continues to be the payment of interest on borrowings from Treasury. As of June 30, 1960, there were outstanding \$904 thousand in loans and \$2,129 thousand in commitments to participate in loans made by banks wherein disbursement of Treasury funds is deferred. It is estimated by the close of 1961 that the loans will be reduced to \$692 thousand

OFFICE OF THE SECRETARY—Continued

Public enterprise funds—Continued

CIVIL DEFENSE LOANS—Continued

CIVIL DEFENSE PROGRAM FUND—continued

and the deferred participation commitments to \$1,660 thousand.

No new loans were authorized in 1960 and it is anticipated that there will be no additional loans authorized during 1961 and 1962.

Financing.—Program activities are financed from borrowings from Treasury. The unobligated balance of such authority at the end of 1962 is estimated to increase slightly to \$248 million.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	28	23	17
Increase in selected working capital.....		3	2
Total gross expenditures.....	28	26	19
Receipts from operations (funds provided):			
Loan repayments.....	105	105	107
Revenue.....	65	57	50
Decrease in selected working capital.....	3		
Total receipts from operations.....	173	162	157
Budget expenditures.....	-145	-136	-138

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	65	57	50
Expense.....	28	23	17
Net income for the year.....	37	34	33
Retained earnings, beginning of year.....	295	332	366
Retained earnings, end of year.....	332	366	399

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	13	9	7
Accounts receivable, net.....	2	2	2
Loans receivable, net.....	904	799	692
Total assets.....	919	810	701
Liabilities:			
Current.....	12	9	7
Government investment:			
Interest-bearing capital:			
Start of year.....	720	575	435
Borrowings from Treasury during year, net (-).....	-145	-140	-140
End of year.....	575	435	295
Retained earnings.....	332	366	399
Total Government investment.....	907	801	694

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance:				
Cash with Treasury.....	13	13	9	7
Budget authorization.....	249,280	249,425	249,565	249,705
Total unexpended balance.....	249,293	249,438	249,574	249,712
Obligated balance, net:				
Current liabilities.....	8	12	9	7
Undisbursed loan obligations.....	2,437	2,129	1,910	1,660
Accounts receivable, net (-).....	-1	-2	-2	-2
Total obligated balance.....	2,444	2,139	1,917	1,665
Unobligated balance.....	246,849	247,299	247,657	248,047

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Executive direction.....	39	20	20
2. Administration and coordination of legal services.....	11	12	12
3. General administrative services.....	160	163	163
4. Operation and maintenance of Treasury buildings.....	27	17	17
Total obligations.....	237	212	212
Financing:			
Unobligated balance brought forward.....	9	1	
Advancements and reimbursements from other accounts.....	229	211	212
Unobligated balance carried forward.....	-1		
Total financing.....	237	212	212

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	127	117	117
Positions other than permanent.....	3	3	3
Other personnel compensation.....	5	2	2
Total personnel compensation.....	134	122	122
12 Personnel benefits.....	8	8	8
21 Travel and transportation of persons.....	1	1	1
23 Rent, communications, and utilities.....	70	56	56
25 Other services: Services of other agencies.....	6	7	7
26 Supplies and materials.....	17	18	18
Total obligations.....	237	212	212

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	26	25	25
Average number of all employees.....	26	25	25
Number of employees at end of year.....	25	25	25
Average GS grade.....	8.5	8.6	8.9
Average GS salary.....	\$7,303	\$8,153	\$8,308
Average salary of ungraded positions.....	\$4,671	\$4,610	\$4,712

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operation and maintenance of Treasury buildings (total costs—obligations).....		12	
Financing:			
New obligational authority (proposed supplemental appropriation).....		12	

Under existing legislation, 1961.—A supplemental appropriation is anticipated to meet the cost of wage-board salary increases.

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, **[\$3,590,000]** \$3,772,000. (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. 253a (b); Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Processing deposits of withheld tax payments.....	1,243	1,317	1,444
2. Financial reporting and maintenance of the Government's central accounts.....	1,502	1,626	1,558
3. Accounting and reporting development and internal audit.....	223	249	251
4. Processing investments, loans, claims, collections, and surety bonds.....	186	232	233
5. Supervision of the Federal depository system.....	167	187	188
6. Executive direction.....	91	97	98
Total program costs.....	3,412	3,708	3,772
7. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	13		
Total obligations.....	3,425	3,708	3,772
Financing:			
Unobligated balance lapsing.....	64		
New obligational authority.....	3,489	3,708	3,772
New obligational authority:			
Appropriation.....	3,489	3,590	3,772
Proposed supplemental due to pay increases.....		118	

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 depository receipts which the employers attach to their returns as evidence of payment of taxes. Of the \$1,444 thousand obligations estimated for 1962, \$681 thousand 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 10,600,000 depository receipts in 1961 and 11,162,000 in 1962 as compared with 10,078,563 in 1960. The increase in obligations estimated for 1962 of \$127 thousand over 1961 is due to the increase in the estimated volume of receipts, increase in unit rate and related increase in purchase of additional depository receipts and envelopes.

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 4,457,000 in 1961 and 3,724,000 in 1962 as compared with 4,454,441 in 1960.

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, participation in the governmentwide accounting improvement program, performing internal audit in the Bureau, and coordinating Treasury fiscal internal audit.

4. *Processing investments, loans, claims, collections, and surety bonds.*—Investments in interest-bearing securities are processed for certain funds, such as the Federal old-age and survivors insurance trust fund, the unemployment trust fund, the veterans insurance trust fund, and various Government retirement funds. The work includes 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 349,964 for 1962 as compared with 347,502 in 1961 and 344,591 in 1960.

5. *Supervision of the Federal depository system.*—Banking facilities are provided for all agencies of the Government through the designation of selected institutions to act as official depositories of the Government's funds. Workload is expected to increase in 1962, as follows:

	1960 actual	1961 estimate	1962 estimate
Number of depositories utilized.....	4,244	4,325	4,400
Agency authorizations in effect at end of year....	8,796	8,850	8,950

6. *Executive direction.*—This provides for the overall management of the Bureau of Accounts.

BUREAU OF ACCOUNTS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	20	19	20	20
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	31	45	44	44
Total selected resources at end of year.....	51	64	64	64
Selected resources at start of year (—).....		—51	—64	—64
Obligations incurred for costs of other years, net.....		13	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	1,842	2,042	1,995
Other personnel compensation.....	28	12	4
Total personnel compensation.....	1,870	2,054	1,998
12 Personnel benefits.....	125	159	155
21 Travel and transportation of persons.....	7	6	6
22 Transportation of things.....	2	5	2
23 Rent, communications, and utilities.....	68	69	69
24 Printing and reproduction.....	95	100	103
25 Other services.....	11	11	11
Services of Federal Reserve banks.....	1,181	1,244	1,366
26 Supplies and materials.....	47	43	46
31 Equipment.....	19	17	17
Total obligations.....	3,425	3,708	3,772

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	335	337	323
Average number of all employees.....	322	331	317
Number of employees at end of year.....	336	331	311
Average GS grade.....	6.4	6.5	6.6
Average GS salary.....	\$5,706	\$6,170	\$6,280

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

For necessary expenses of the Division of Disbursement, [\$23,300,000] \$26,315,000. (Ex. Ord. No. 6166, sec 4, June 10, 1933 (note following 5 U.S.C. 124-132); 31 U.S.C. 157; Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Processing payments.....	21,381	23,679	25,995
2. Issuance of savings bonds.....	307	328	320
Total program costs.....	21,688	24,007	26,315
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—86	—
Obligations incurred for costs of other years, net.....	246	—	—
Total obligations.....	21,934	23,921	26,315

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance lapsing.....	66	—	—
New obligational authority.....	22,000	23,921	26,315
New obligational authority:			
Appropriation.....	22,000	23,300	26,315
Proposed supplemental due to pay increases.....	—	621	—

The Division of Disbursement, through 15 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 1962 is due to additional work volume, (20.1 million payments) and increases in program activities.

The funds required are determined by multiplying workload by the unit cost as shown in the following tables:

WORK VOLUME

[In thousands]

	1960 actual	1961 estimate	1962 estimate
Appropriated funds:			
1. Processing payments.....	277,690	292,831	312,974
2. Issuance of savings bonds.....	3,480	3,450	3,450

UNIT COST

	1960 actual	1961 estimate	1962 estimate
Appropriated funds:			
1. Processing payments.....	\$0.0779	\$0.0806	\$0.0831
2. Issuance of savings bonds.....	.0881	.0952	.0928

A supplemental appropriation for 1961 is proposed for later transmission.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	608	615	710	730
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	275	482	301	281
Total selected resources at end of year.....	883	1,097	1,011	1,011
Selected resources at start of year (—).....		—883	—1,097	—1,011
Adjustment of selected resources at start of year.....		32	—	—
Costs financed from obligations of other years, net (—).....			—86	
Obligations incurred for costs of other years, net.....		246	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	7,020	7,919	8,038
Positions other than permanent.....	328	330	330
Other personnel compensation.....	216	51	21
Total personnel compensation.....	7,564	8,300	8,390
12 Personnel benefits.....	482	620	625
21 Travel and transportation of persons.....	51	50	76
22 Transportation of things.....	73	82	128
23 Rent, communications, and utilities.....	11,445	12,585	14,247
24 Printing and reproduction.....	88	79	86
Purchase of blank checks.....	842	780	834
25 Other services.....	221	325	693
26 Supplies and materials.....	919	1,002	1,118
31 Equipment.....	249	97	119
Total obligations.....	21,934	23,921	26,315

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1,750	1,795	1,836
Full-time equivalent of other positions.....	134	94	94
Average number of all employees.....	1,799	1,863	1,889
Number of employees at end of year.....	1,800	1,845	1,871
Average GS grade.....	3.5	3.7	3.6
Average GS salary.....	\$4,194	\$4,504	\$4,491

CLAIMS, JUDGMENTS, AND RELIEF ACTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total costs—obligations).....	11,116	24,897	5,002
Financing:			
Unobligated balance lapsing.....	2		
New obligational authority.....	11,118	24,897	5,002
New obligational authority:			
Current definite.....	7,229	19,895	
Permanent definite.....	2	2	2
Permanent indefinite.....	3,888	5,000	5,000
Appropriation.....	11,118	24,897	5,002

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 thousand while 31 U.S.C. 724a authorizes a permanent indefinite appropriation to pay judgments of \$100 thousand or less from the general funds of the Treasury.

Statutory awards in the amount of \$1,620 are paid annually to Herman F. Kraft and Sara E. Edge (46 Stat. 1921; 52 Stat. 1334).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
42 Insurance claims and indemnities.....	11,034	24,797	4,902
43 Interest and dividends.....	82	100	100
Total obligations.....	11,116	24,897	5,002

Permanent authorizations:

INTEREST ON UNINVESTED FUNDS

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of awards (total costs—obligations) (object class 43).....	9,792	9,859	10,107
Financing:			
New obligational authority (appropriation).....	9,792	9,859	10,107

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 accounts (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 (in thousands of dollars):

	Annual rate of interest (%)	1960 actual	1961 estimate	1962 estimate
Bequest of Gertrude M. Hubbard, Library of Congress.....	4	1	1	1
Library of Congress trust fund.....	4	178	179	179
Expenses of Smithsonian Institution.....	6	60	60	60
National Gallery of Art trust fund.....	4	200	200	200
Education of the blind.....	4	10	10	10
Soldiers' Home permanent fund.....	3	2,763	2,900	3,150
Indian tribal funds.....	4	6,568	6,500	6,500
Oliver Wendell Holmes devise fund.....	3.5	12	10	8
Total obligations.....		9,792	9,859	10,107

PAYMENT TO UNEMPLOYMENT TRUST FUND

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to unemployment trust fund (total costs—obligations) (object class 41).....	2,553		
Financing:			
New obligational authority (appropriation).....	2,553		

At the end of last year, the Secretary of the Treasury estimated the excess of Federal unemployment tax receipts for the year over expenditures for unemployment compensation and employment service administration. This appropriation transferred the estimated excess into the Unemployment trust fund, where a portion was allocated to the Federal unemployment account to bring the balance of that account to \$200 million and the remainder was allocated to the trust accounts of the various States (68 Stat. 668). This payment was determined as follows (in thousands of dollars):

Estimated Federal unemployment tax receipts.....	1960 actual 342,200
Add adjustment of prior year estimate.....	100
Less tax refunds, including interest.....	3,195
Adjusted tax receipts.....	339,104
Less expense incurred:	
Internal Revenue Service.....	4,267
Other Treasury bureaus.....	23
Department of Labor:	
Grants to States.....	325,276
Administrative expenses.....	6,985
Payment to Unemployment trust fund.....	2,553

Title IX of Public Law 86-778, approved September 13, 1960 (74 Stat. 970-971), appropriates to the Unemployment insurance trust fund for credit to the employment security account, for the year ending June 30, 1961, and for each year thereafter, an amount equal to 100% of the tax received during the year under the Federal Unemployment Tax Act and covered into the Treasury. By

BUREAU OF ACCOUNTS—Continued**Permanent authorizations—Continued****PAYMENT TO UNEMPLOYMENT TRUST FUND—Continued**

(Indefinite)—Continued

the enactment of this legislation the activities of this account were transferred to the Unemployment insurance trust fund thus eliminating the need for this account.

REFUND OF MONEYS ERRONEOUSLY RECEIVED AND COVERED

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total costs—obligations) (object class 44).....	1,422	1,400	1,400
Financing:			
New obligational authority (appropriation)....	1,422	1,400	1,400

This permanent authorization was granted for the purpose of making refunds of 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).

Public enterprise funds:**【PAYMENT TO FUND FOR PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT】**

【To increase the capital of the "Fund for payment of Government losses in shipment", in accordance with section 2 of the Act approved July 8, 1937 (5 U.S.C. 134a), \$100,000, to remain available until expended, and to be derived by transfer from the account "Unclaimed partial payments on United States savings bonds".】 (*Treasury Department Appropriation Act, 1961.*)

FUND FOR PAYMENT OF GOVERNMENT LOSSES IN SHIPMENT**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payments of claims (total costs—obligations) (object class 42).....	2	40	40
Financing:			
Amounts becoming available:			
Appropriation.....		100	
Revenue: Recoveries of losses.....	1	1	1
Total amounts becoming available.....	1	101	1
Unobligated balance brought forward.....	79	78	139
Total amounts available.....	80	179	140
Unobligated balance carried forward.....	-78	-139	-100
Financing applied to program.....	2	40	40

This revolving 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 claims are only partially offset by recoveries, the net losses have gradually increased to \$866 thousand as of June 30, 1960, and are expected to increase to \$905 thousand by June 30, 1961. It is estimated that the creation of this fund has resulted in a savings of over \$90 million of insurance premiums on shipments of Government property.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	2	40	40
Increase in selected working capital.....	34		
Total gross expenditures.....	36	40	40
Receipts from operations (funds provided):			
Revenue (recoveries).....	1	1	1
Budget expenditures.....	36	39	39

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Payment of claims:			
Revenue.....	1	1	1
Expense.....	2	40	40
Net loss (-), for the year.....	-1	-39	-39
Deficit (-), beginning of year.....	-865	-866	-905
Deficit (-), end of year.....	-866	-905	-944

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	78	139	100
Government investment:			
Non-interest-bearing capital:			
Start of year.....	944	944	1,044
Appropriation.....		100	
End of year.....	944	1,044	1,044
Deficit (-).....	-866	-905	-944
Total Government investment.....	78	139	100

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury...	114	78	139	100
Obligated balance, net: Current liabilities.....	34			
Unobligated balance.....	79	78	139	100

Intragovernmental funds:**ADVANCES AND REIMBURSEMENTS****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Processing payments.....	393	288	282
2. Replacement of personal property sold.....	8		
Total obligations.....	401	288	282

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from—			
Other accounts.....	393	288	282
Non-Federal sources (40 U.S.C. 481(c)).....	8		
Total financing.....	401	288	282

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	175	120	119
Positions other than permanent.....	7	7	7
Other personnel compensation.....	1		
Total personnel compensation.....	183	128	126
12 Personnel benefits.....	11	13	13
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	165	121	117
24 Printing and reproduction.....	1	1	1
Purchase of blank checks.....	10	7	7
25 Other services.....	1	1	1
26 Supplies and materials.....	19	14	14
31 Equipment.....	12	3	3
Total obligations.....	401	288	282

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	42	28	28
Full-time equivalent of other positions.....	2	2	2
Average number of all employees.....	43	29	29
Number of employees at end of year.....	40	26	26
Average GS grade.....	3.5	3.7	3.6
Average GS salary.....	\$4,194	\$4,504	\$4,491

Proposed for later transmission:

SALARIES AND EXPENSES, DIVISION OF DISBURSEMENT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Processing payments:			
Civil Service Retirement Amendments Act of 1960.....		29	
Social Security Amendments Act of 1960.....		262	
Total costs—obligations.....		291	
Financing:			
New obligational authority (proposed supplemental appropriation).....		291	

Under existing legislation, 1961.—It is anticipated that a supplemental appropriation of \$291 thousand will be required to meet the cost of the provisions of Public Law 86-724, approved September 8, 1960 (74 Stat. 849), provided that civil service retirees may elect to be covered under the health insurance program established under this act (\$29 thousand), and Public Law 86-778, approved September 13, 1960 (74 Stat. 924), which increases certain social security benefits and extends coverage to include new groups (\$262 thousand). The additional cost due to this legislation will be reimbursed to the general fund of the Treasury as provided in section 201(g) of the Social Security Act as amended.

BUREAU OF THE PUBLIC DEBT

Current authorizations:

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, **[\$46,850,000] \$48,200,000.**

Not to exceed \$375,000 of the unobligated balance of the appropriation for "Administering the public debt," fiscal year 1960, shall remain available during the current fiscal year for expenses of advance refunding of the public debt. (5 U.S.C. 258a; 31 U.S.C. 731-774; 12 U.S.C. 391; Treasury-Post Office Appropriation Act, 1961; Second Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Issuance, servicing, and retirement of savings bonds.....	33,428	32,905	32,770
2. Issuance, servicing, and retirement of other Treasury securities.....	8,315	8,599	8,621
3. Maintenance and audit of public debt accounts.....	726	802	802
4. Promotion of the sale of savings bonds.....	5,487	5,868	5,863
5. Executive direction.....	135	144	144
Total program costs.....	48,091	48,318	48,200
6. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—151		
Total obligations.....	47,940	48,318	48,200
Financing:			
Unobligated balance lapsing.....	560		
New obligational authority.....	48,500	48,318	48,200
New obligational authority:			
Appropriation.....	48,500	46,850	48,200
Reappropriation.....		375	
Proposed supplemental due to pay increases.....		1,093	

This appropriation provides funds for the conduct of all public debt operations and the promotion of the sale of U.S. savings bonds and stamps.

1. *Issuance, servicing, and retirement of savings bonds.*—This activity consists of (a) procuring, receiving, storing, and distributing bond stocks; (b) issuing bonds and maintaining records relating thereto; (c) adjudicating claims for the replacement or payment of lost, stolen, or mutilated bonds; (d) handling reissues and other transactions incident to servicing outstanding bonds; (e) retiring bonds; and (f) determining and authorizing semiannual interest payments on series G, H, and K bonds.

U.S. SAVINGS BONDS, SERIES A THROUGH K

[Number of pieces in thousands]

	1960 actual	1961 estimate	1962 estimate
Issues:			
Sales, original issue.....	85,832	85,800	85,800
Reissues, exchanges, and claims.....	2,398	2,400	2,400
Total.....	88,230	88,200	88,200
Retirements:			
Redemptions.....	94,344	91,200	91,500
Reissues, exchanges, claims, and spoils.....	4,495	4,200	4,200
Total.....	98,839	95,400	95,700

BUREAU OF THE PUBLIC DEBT—Continued

Current authorizations—Continued

ADMINISTERING THE PUBLIC DEBT—Continued

2. *Issuance, servicing, and retirement of other Treasury securities.*—This activity covers the same type of functions as described above for all U.S. securities other than savings bonds.

TREASURY SECURITIES OTHER THAN SAVINGS BONDS

[Number of pieces in thousands]

	1960 actual	1961 estimate	1962 estimate
Issues:			
Original issue.....	2,615	2,022	2,887
Other transactions.....	3,707	3,310	3,310
Total.....	6,322	5,332	6,197
Retirements:			
Redemptions.....	2,827	2,492	3,615
Other transactions.....	2,525	1,732	1,732
Total.....	5,352	4,224	5,347

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.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects).....	2,565	2,575	2,575	2,575
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	385	263	263	263
Total selected resources at end of year.....	2,950	2,838	2,838	2,838
Selected resources at start of year (—).....	—2,950	—2,950	—2,838	—2,838
Adjustment of selected resources reported at start of year.....	—39	—	—	—
Costs financed from obligations of other years, net (—).....	—151	—	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	14,114	15,124	15,019
Positions other than permanent.....	3	4	4
Other personnel compensation.....	217	111	16
Total personnel compensation.....	14,334	15,238	15,039
12 Personnel benefits.....	999	1,153	1,146
21 Travel and transportation of persons.....	439	452	452
22 Transportation of things.....	486	475	475
23 Rent, communications, and utilities.....	3,944	3,416	3,460
24 Printing and reproduction.....	586	521	514
Printing of Government securities.....	2,084	2,107	2,207

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	285	300	286
Services of other agencies:			
Federal Reserve banks.....	11,678	11,300	11,400
Fees paid to paying agents.....	11,307	11,100	11,100
Savings bond exchanges.....	145	125	165
Post Office Department.....	870	983	983
Bureau of Engraving and Printing.....	308	328	328
26 Supplies and materials.....	375	342	342
31 Equipment.....	100	103	103
Reserve for advance refunding.....	—	375	200
Total obligations.....	47,940	48,318	48,200

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3,073	2,936	2,859
Full-time equivalent of other positions.....	1	1	1
Average number of all employees.....	2,858	2,832	2,789
Number of employees at end of year.....	2,811	2,825	2,785
Average GS grade.....	4.7	4.8	4.9
Average GS salary.....	\$4,932	\$5,359	\$5,414

OFFICE OF THE TREASURER

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Office of the Treasurer, **[\$16,700,000]** \$16,925,000. (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, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct costs:			
1. Check payment and reconciliation.....	2,558	2,873	2,681
2. Processing check claims.....	1,757	1,991	2,061
3. General banking services.....	408	423	422
4. Retirement of currency.....	688	742	727
5. Maintenance of Treasurer's accounts.....	343	385	384
6. Payment and custody of securities.....	311	356	355
7. Procurement and transportation of U.S. currency.....	10,265	11,411	11,544
8. Executive direction.....	101	112	112
Total direct costs.....	16,429	18,293	18,287
Reimbursable costs:			
1. Check payment and reconciliation.....	89	92	89
2. Processing check claims.....	45	44	46
3. General banking services.....	12	14	14
4. Retirement of currency.....	484	546	545
Total reimbursable costs.....	631	697	694
Total program costs.....	17,060	18,990	18,981
9. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—	—1,249	—1,362
Obligations incurred for costs of other years, net.....	827	—	—
Total obligations.....	17,888	17,741	17,619
Financing:			
Advances and reimbursements from—			
Other accounts.....	—134	—137	—134
Non-Federal sources.....	—497	—560	—560

Program and Financing (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance lapsing.....	206		
New obligational authority.....	17,463	17,044	16,925
New obligational authority:			
Appropriation.....	17,500	16,700	16,925
Transferred to "Salaries and expenses," Office of the Secretary (74 Stat. 51).....	-37		
Appropriation (adjusted).....	17,463	16,700	16,925
Proposed supplemental due to pay increases.....		344	

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 consists of maintaining checking accounts of Government disbursing officers and Government-owned corporations; processing documents crediting Government disbursing accounts; performing centralized payment function of all checks drawn on the Treasurer of the United States; reconciling deposits claimed and checks issued as reported by disbursing officers with the deposits credited and checks paid by the Treasurer and determining the outstanding checks in each disbursing account.

Including the reimbursable work performed by this activity, approximately 407 million checks were paid and reconciled in 1960 by the Treasurer in Washington through the use of electronic equipment. Based on estimates furnished by the various Government agencies, a check volume of 427 million is expected in 1961 and 444 million in 1962.

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 enforcing of claims of the United States against banks, endorsers, principals and sureties or other parties having liability due to the fraudulent or otherwise improper negotiation of checks.

WORK VOLUME

Type of case processed:	1960 actual	1961 estimate	1962 estimate
Paid check.....	196,023	199,150	211,100
Outstanding check.....	76,421	81,950	88,200
Inquiry and authority.....	140,930	145,500	149,500

UNIT COSTS

Type of case processed:	1960 actual	1961 estimate	1962 estimate
Paid check.....	7.34	8.04	7.85
Outstanding check.....	3.69	4.04	3.96
Inquiry and authority.....	.38	.40	.39

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]		
	1960 actual	1961 estimate	1962 estimate
Treasury checks and other obligations paid in cash.....	816	825	850
Commercial checks, drafts and money orders processed for collection.....	6,331	6,400	6,500

4. *Retirement of currency.*—U.S. 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 1.2 billion in 1961 and in 1962 as compared to 1.1 billion in 1960.

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 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.

7. *Procurement and transportation of U.S. currency.*—All U.S. paper currency is procured by the Treasurer from the Bureau of Engraving and Printing on a reimbursable basis. The Treasurer is also charged with the cost of transportation of this new currency to the Federal Reserve banks and depositories.

FACTORS DETERMINING REQUIREMENTS

	1960 actual	1961 estimate	1962 estimate
New currency procured.....	1,189,484	1,047,904	1,029,112
New currency issued.....	1,128,986	1,205,000	1,182,000

9. *Relation of costs to obligations.*—This relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
U.S. currency (unissued currency).....	5,163	6,008	4,759	3,397
Stores (goods unconsumed by projects)....	80	47	47	47
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	40	57	57	57
Total selected resources at end of year..	5,283	6,111	4,862	3,501
Selected resources at start of year (-).....		-5,283	-6,111	-4,863
Adjustment of selected resources reported at start of year.....		-1		
Costs financed from obligations of other years, net (-).....			-1,249	-1,362
Obligations incurred for costs of other years, net....		827		

OFFICE OF THE TREASURER—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions.....	4,641	5,178	5,207
Positions other than permanent.....		14	14
Other personnel compensation.....	107	57	39
Total personnel compensation.....	4,749	5,249	5,259
Direct obligations:			
11 Personnel compensation.....	4,237	4,682	4,691
12 Personnel benefits.....	289	352	353
21 Travel and transportation of persons.....	10	14	14
22 Transportation of things.....	440	435	450
23 Rent, communications, and utilities.....	967	1,155	1,020
24 Printing and reproduction.....	41	47	47
Purchase of U.S. currency.....	10,693	9,756	9,756
25 Other services.....	45	48	48
Services of Federal Reserve banks.....	322	339	339
26 Supplies and materials.....	141	154	159
31 Equipment.....	70	64	49
Total direct obligations.....	17,257	17,044	16,925
Reimbursable obligations:			
11 Personnel compensation.....	512	567	568
12 Personnel benefits.....	34	43	43
21 Travel and transportation of persons.....	1		
22 Transportation of things.....	4	5	5
23 Rent, communications, and utilities.....	38	40	36
24 Printing and reproduction.....	2	2	2
25 Other services.....	29	29	29
26 Supplies and materials.....	6	7	7
31 Equipment.....	6	4	4
Total reimbursable obligations.....	631	697	694
Total obligations.....	17,888	17,741	17,619

Personnel Summary

Total number of permanent positions.....	990	1,006	1,010
Full-time equivalent of other positions.....		4	4
Average number of all employees.....	948	981	985
Number of employees at end of year.....	960	986	985
Average GS grade.....	5.1	5.1	5.1
Average GS salary.....	\$4,884	\$5,299	\$5,310

Public enterprise funds:

CHECK FORGERY INSURANCE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims and losses (total costs—obligations) (object class 42).....	186	190	195
Financing:			
Amounts becoming available: Revenue.....	185	190	195
Unobligated balance brought forward.....	44	43	43
Total amounts available.....	229	233	238
Unobligated balance carried forward.....	—43	—43	—43
Financing applied in program.....	186	190	195

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 thousand (31 U.S.C. 561).

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense (payment of claims).....	185	190	195
Increase in selected working capital.....			5
Total gross expenditures.....	185	190	200
Receipts from operations (funds provided):			
Revenue.....	185	190	195
Decrease in selected working capital.....	3	7	
Total receipts from operations.....	188	197	195
Budget expenditures.....	—3	—7	5

Revenue, Expense, and Retained Earnings (in thousands of dollars)

Revenue.....	185	190	195
Expense.....	185	190	195
Net loss (—) for the year.....	—1	—	—
Deficit (—), beginning of year.....	—6	—7	—7
Deficit (—), end of year.....	—7	—7	—7

Financial Condition (in thousands of dollars)

Assets:			
Cash with Treasury.....	12	19	14
Accounts receivable, net.....	31	24	29
Total assets.....	43	43	43
Government investment:			
Non-interest-bearing capital (start and end of year).....	50	50	50
Deficit (—).....	—7	—7	—7
Total Government investment.....	43	43	43

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash with Treasury.....	9	12	19	14
Obligated balance: Accounts receivable, net (—).....	—34	—31	—24	—29
Unobligated balance.....	44	43	43	43

BUREAU OF CUSTOMS

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Bureau of Customs, including purchase of [seventy-five] sixty passenger motor vehicles for replacement only, of which forty for police-type use may exceed by \$300 each 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); **[\$55,500,000] \$63,400,000.**

【For an additional amount for "Salaries and expenses", \$720,000.】
 (5 U.S.C. 118, 118a, 281a; 19 U.S.C. 68, 1524, 1619, 1701; 31 U.S.C. 529b, 530; 46 U.S.C. 1-1334; Treasury Department Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Assessment and collection of duties, taxes and fees.....	38,427	39,307	41,803
2. Appraisal of imported merchandise.....	8,470	9,301	9,853
3. Investigations of violations of customs and related laws and regulations.....	3,239	6,929	7,070
4. Audit of collection and merchandise accounts.....	832	918	1,035
5. Analysis and identification of merchandise for tariff purposes.....	1,137	1,217	1,308
6. Executive direction.....	2,067	2,239	2,282
Total program costs.....	54,172	59,912	63,350
7. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-5	
Obligations incurred for costs of other years, net.....	55		50
Total obligations.....	54,227	59,907	63,400
Financing:			
Unobligated balance brought forward.....	300	300	300
Unobligated balance carried forward.....	-300	-300	-300
Unobligated balance lapsing.....	18		
New obligational authority.....	54,245	59,907	63,400
New obligational authority:			
Appropriation.....	54,245	56,220	63,400
Proposed supplemental due to pay increases.....		3,687	

The Bureau of Customs collects the duties and taxes on imported merchandise, inspects all international traffic, regulates certain marine and aircraft activities, combats smuggling, undervaluation, and frauds on the customs revenue, and performs related functions in connection with the importation and exportation of merchandise.

Direct obligations are estimated to be \$63,400 thousand for 1962, an increase of \$7,180 thousand over the amount now appropriated for 1961.

The unobligated balance of \$300 thousand 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.

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

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

	[In thousands]		
	1960 actual	1961 estimate	1962 estimate
Formal entries accepted.....	1,476	1,550	1,630
Carriers of persons and merchandise arriving from foreign countries.....	43,621	44,900	46,245
Persons arriving from foreign countries.....	149,643	154,000	158,600

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

	[In thousands]		
	1960 actual	1961 estimate	1962 estimate
Packages examined by appraisers' personnel.....	1,386	1,387	1,387
Invoices received.....	2,322	2,439	2,560

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 1960, a total of 17,842 investigations were made. The estimates for 1961 and 1962 are 18,605 and 18,990, respectively.

4. *Audit of collection and merchandise accounts.*—The Comptrollers of customs examine and certify collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise, and verify collectors' final assessments of duties and taxes, as well as allowances of drawback.

SELECTED WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Liquidations verified.....	80,503	81,000	120,000
Comptrollers' verifications pending at close of year.....	2,153	2,500	3,000
Audit reports made.....	142	135	140

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 1960, a total of 123,561 samples were tested, and it is estimated that 125,500 and 129,500 will be tested in 1961 and 1962, respectively.

6. *Executive direction.*—The Washington office of the Bureau of Customs directs, unifies and controls the functioning of the customs service.

7. *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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused).....	42	28	28	28
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	233	298	295	342
Advances (payments for goods and services on order not yet received).....	1	4	1	4
Total selected resources at end of year.....	277	329	324	374
Selected resources at start of year (-).....		-277	-329	-324
Adjustment of selected resources reported at start of year.....		3		
Costs financed from obligations of other years, net (-).....			-5	
Obligations incurred for costs of other years, net.....		55		50

BUREAU OF CUSTOMS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	44,794	49,383	51,954
Positions other than permanent.....	416	443	444
Other personnel compensation.....	2,056	2,058	2,006
Total personnel compensation.....	47,266	51,884	54,404
12 Personnel benefits.....	3,757	4,528	4,729
21 Travel and transportation of persons.....	624	649	682
22 Transportation of things.....	481	481	481
23 Rent, communications, and utilities.....	748	749	905
24 Printing and reproduction.....	203	221	221
25 Other services.....	273	273	302
26 Supplies and materials.....	487	485	521
31 Equipment.....	365	440	723
32 Lands and structures.....	42	215	450
42 Insurance claims and indemnities.....	7	7	7
Subtotal.....	54,252	59,932	63,425
Deduct quarters and subsistence charges.....	25	25	25
Total obligations.....	54,227	59,907	63,400

Personnel Summary

Total number of permanent positions.....	7,313	7,498	7,708
Full-time equivalent of other positions.....	89	90	90
Average number of all employees.....	7,213	7,412	7,613
Number of employees at end of year.....	7,468	7,682	7,883
Average GS grade.....	8.2	8.1	8.5
Average GS salary.....	\$6,399	\$6,959	\$7,179
Average salary of ungraded positions.....	\$5,003	\$5,033	\$5,034

Permanent authorizations:

REFUNDS AND DRAWBACKS, CUSTOMS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Assessment and collection of duties, taxes, and fees (total costs—obligations) (object class 44).....	18,483	18,500	18,500
Financing:			
New obligational authority (appropriation).....	18,483	18,500	18,500

Overpayments are refunded, and drawbacks of duties upon exportation of previously imported merchandise are paid as required.

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Assessment and collection of duties, taxes, and fees.....	9,844	11,292	12,224
2. Appraisal of imported merchandise.....	146	160	160

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
3. Investigations of violations of customs and related laws and regulations.....	63	67	67
4. Analysis and identification of merchandise for tariff purposes.....	1	1	1
5. Executive direction.....	44	47	47
Total obligations.....	10,099	11,568	12,500
Financing:			
Advances and reimbursements from—			
Other accounts.....	2,296	2,644	3,021
Non-Federal sources.....	7,803	8,924	9,479
Total financing.....	10,099	11,568	12,500

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,418	3,750	3,966
Positions other than permanent.....	46	50	50
Other personnel compensation.....	6,226	7,240	7,805
Total personnel compensation.....	9,690	11,039	11,821
12 Personnel benefits.....	149	183	202
21 Travel and transportation of persons.....	88	89	89
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	18	18	18
24 Printing and reproduction.....	83	85	88
25 Other services.....	25	25	25
26 Supplies and materials.....	12	12	12
31 Equipment.....	16	16	19
32 Lands and structures.....	17	100	225
Total obligations.....	10,099	11,568	12,500

Personnel Summary

Total number of permanent positions.....	660	671	704
Full-time equivalent of other positions.....	10	10	10
Average number of all employees.....	635	645	678
Number of employees at end of year.....	637	647	681
Average GS grade.....	6.5	6.7	6.7
Average GS salary.....	\$5,669	\$6,262	\$6,309
Average salary of ungraded positions.....	\$5,021	\$5,021	\$5,030

Proposed for later transmission:

SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Assessment and collection of duties, taxes and fees.....		72	
2. Appraisal of imported merchandise.....		83	
3. Investigations of violations of customs and related laws and regulations.....		1	
5. Analysis and identification of merchandise for tariff purposes.....		3	
6. Executive direction.....		1	
Total program costs—obligations.....		160	
Financing:			
New obligational authority (proposed supplemental appropriation).....		160	

Under existing legislation, 1961.—A supplemental appropriation is anticipated to meet the cost of wage-board salary increases.

INTERNAL REVENUE SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the Internal Revenue Service, including purchase (not to exceed [one] two hundred for replacement only, of which [forty] eighty for police-type use may exceed by \$300 each the general 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, including not to exceed [\$8,500,000] \$11,200,000 for temporary employment; [\$388,000,000] \$449,800,000. (5 U.S.C. 133; title 26 U.S.C.; 72 Stat. 1275; Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services.....	5,835	6,881	7,091
2. Collection of revenue.....	149,244	170,034	178,261
3. Audit of tax returns.....	128,180	146,173	166,584
4. Tax fraud and special investigations.....	18,504	20,796	22,029
5. Alcohol and tobacco tax regulatory work.....	26,781	29,410	29,943
6. Taxpayer conferences and appeals.....	13,776	15,977	19,079
7. Legal services.....	9,257	10,945	12,160
8. Inspection.....	4,867	5,570	5,845
9. Statistical reporting.....	2,593	3,038	2,877
10. Executive direction.....	4,387	5,079	5,931
Total program costs.....	363,424	413,903	449,800
11. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—37		
Total obligations.....	363,387	413,903	449,800
Financing:			
Unobligated balance lapsing.....	863		
New obligational authority.....	364,250	413,903	449,800
New obligational authority:			
Appropriation.....	364,250	388,000	449,800
Proposed supplemental due to pay increases.....		25,903	

The Internal Revenue Service is the primary revenue collecting agency of the Federal Government. Gross total collections of the Internal Revenue Service amounted to almost \$92 billion in 1960.

The number of tax returns filed has increased over the past 6 years from 88.6 million to 94.4 million. While greater efficiency and the introduction of automatic equipment have enabled the Service to process this larger workload, it has not been possible to increase the more time-consuming enforcement work accordingly. As a part of a program to correct this situation and to recover part of the present annual revenue loss to the Government, the 1962 recommendation provides funds to continue the increase in enforcement personnel authorized in 1961, and to further the installation of an electronic computer system designed to maintain a consolidated master file of taxpayer accounts. These funds, which will allow significant increases in work accomplishment as indicated in the follow-

ing workload tables (particularly in the collection and audit activities), constitute the second step in a long-range plan to improve the enforcement of our tax laws.

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

	1960 actual	1961 estimate	1962 estimate
Rulings, and advisory opinions.....	68,311	65,000	65,500
Regulations, tax forms, legislative analysis, drafting and reports.....	2,573	3,000	3,000
Research, analysis, and preparation of rulings for publication.....	2,784	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; the filing of returns and records; and personal assistance to taxpayers on subjects related to all of these functions.

SELECTED WORKLOAD DATA

[In thousands]

	1960 actual	1961 estimate	1962 estimate
Tax returns filed—all types.....	94,399	97,013	98,663
Individual income tax verifications.....	50,156	50,612	51,291
Individual income tax refunds scheduled.....	35,446	36,424	36,908
Notices issued for accounts receivable.....	5,907	5,900	6,150
Taxpayer delinquent accounts issued.....	2,397	2,774	3,007
Taxpayer delinquent accounts closed.....	2,656	2,866	3,007
Delinquent returns secured (service total).....	997	1,669	1,934

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

[In thousands]

	1960 actual	1961 estimate	1962 estimate
Examined income, estate, and gift tax returns.....	2,763	2,919	3,400

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. The function relating to the investigations of applicants to practice before the Treasury Department was transferred to activity 8—Inspection, during the latter part of 1960. The entire work performed in 1960 is shown in activity 8.

SELECTED WORKLOAD DATA

1960 actual 1961 estimate 1962 estimate

Fraud and wagering cases.....	15,041	15,100	15,450
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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.

INTERNAL REVENUE SERVICE—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

SELECTED WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Cases made.....	9,937	8,000	8,000
Distilleries seized.....	5,495	4,900	4,900
Mash seized (wine gallons, in thousands)....	4,274	3,850	3,850
Arrests.....	10,376	9,800	9,800
Inspections (includes dealers with Federal Alcohol Administration permits).....	38,560	37,000	37,000

6. *Taxpayer conferences and appeals.*—This activity consists of formal appellate work with respect to tax liability, interest, penalties (except alcohol, tobacco, narcotics, and firearms) in protested cases, the issuance of statutory notices, consideration of claims, and consideration of appealed offers in compromise which have been rejected by district directors. There were 27,447 cases closed during 1960, a total of 27,600 estimated for 1961, and 30,230 for 1962.

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 thousand or over.

SELECTED WORKLOAD DATA

Cases disposed of	1960 actual	1961 estimate	1962 estimate
Litigation:			
Tax Court cases (including courts of appeals and Supreme Court).....	6,848	7,000	7,200
District court cases.....	1,080	1,200	1,400
Enforcement:			
Fraud cases.....	1,648	1,675	1,780
Alcohol and tobacco tax cases.....	5,636	5,700	5,700
Claims:			
Claims against estates, bankruptcy and receivership proceedings, collections, lien cases, etc.....	11,190	11,000	11,250
Review of overassessments and proposed refunds in excess of \$100 thousand.....	624	625	660
Technical rulings and opinions.....	807	1,000	1,000

8. *Inspection.*—This activity covers the internal audit and internal security activities servicewide. The investigation of applicants for enrollment to practice before the Treasury Department, and the investigation of charges against enrolled practitioners, was transferred from activity 4 during the latter part of 1960 (with modifications which will substantially reduce the number of investigations).

SELECTED WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Internal audit examinations.....	255	250	250
Applicant character investigations.....	3,292	4,700	5,850
Personnel conduct investigations.....	547	550	600
Special inquiry investigations.....	1,245	1,400	1,600
Tort claim and discrimination investigations.....	131	130	130
Enrollment investigations.....	5,251	1,300	1,300

9. *Statistical reporting.*—Statistics are prepared by processing samples of tax returns for the purpose of providing annually basic information on taxes, income, deductions, and other financial items as required by law. Functions relating to the preparation of repetitive and periodic operating reports formerly performed in this

activity were transferred to the newly created Reports Division under Executive direction.

SELECTED WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Returns and reports transcribed and edited.....	706,582	898,290	904,200
Statistical reports issued (table and text pages)....	4,793	800	1,000

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order: Stores (goods unconsumed by projects).....	468	431	431	431
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	1,323	1,244	1,244	1,244
Total selected resources at end of year.....	1,791	1,675	1,675	1,675
Selected resources at start of year (—).....	—1,791	—1,675	—1,675	—1,675
Adjustment of selected resources reported at start of year.....	78	—	—	—
Costs financed from obligations of other years, net (—).....	—	—37	—	—

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	294,481	335,762	361,174
Positions other than permanent.....	8,529	9,147	11,153
Other personnel compensation.....	4,609	3,211	1,974
Total personnel compensation.....	307,618	348,120	374,300
12 Personnel benefits.....	20,767	26,088	28,085
21 Travel and transportation of persons.....	9,188	11,545	13,398
22 Transportation of things.....	1,592	1,732	1,885
23 Rent, communications, and utilities.....	9,768	10,541	14,141
24 Printing and reproduction.....	6,370	6,347	6,488
25 Other services.....	2,685	3,241	3,414
26 Supplies and materials.....	3,509	3,836	4,404
31 Equipment.....	1,876	2,443	3,674
42 Insurance claims and indemnities.....	14	10	10
Total obligations.....	363,387	413,903	449,800

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	49,439	52,005	54,698
Full-time equivalent of other positions.....	2,603	2,516	3,044
Average number of all employees.....	50,994	53,314	57,124
Number of employees at end of year.....	50,183	53,000	55,700
Average GS grade.....	7.6	7.6	7.8
Average GS salary.....	\$6,161	\$6,668	\$6,811

Permanent authorizations:

REFUNDING INTERNAL REVENUE COLLECTIONS

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Refunding internal revenue collections (total costs—obligations) (object class 44).....	5,217,133	5,533,679	5,986,825

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Recovery of prior year obligations (repayment of prior year refunds made on behalf of Federal old-age and survivors insurance trust fund, Federal disability insurance trust fund, and unemployment trust fund).....	-89,190	-104,000	-127,000
Unobligated balance lapsing.....	89,190	104,000	127,000
New obligational authority (appropriation)	5,217,133	5,533,769	5,986,825

Refunds are made of erroneous internal revenue collections or overpayments of taxes (26 U.S.C. 3770).

REFUNDING INTERNAL REVENUE COLLECTIONS, INTEREST

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of interest on refunds (total costs—obligations) (object class 43).....	76,438	82,764	82,764
Financing:			
New obligational authority (appropriation)	76,438	82,764	82,764

Interest is paid at 6% per annum on internal revenue collections which must be refunded (26 U.S.C. 3771).

INTERNAL REVENUE COLLECTIONS FOR PUERTO RICO

(Indefinite special fund)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Internal revenue collections for Puerto Rico (total costs—obligations) (object class 41).....	22,698	23,000	23,000
Financing:			
New obligational authority (appropriation)	22,698	23,000	23,000

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).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Rulings, technical planning, and special technical services.....	1		
2. Collection of revenue.....	184	119	134
3. Audit tax returns.....	6		

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Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
4. Tax fraud and special investigations.....	5		
5. Alcohol and tobacco tax regulatory work.....	144	134	134
6. Taxpayer conferences and appeals.....	1		
7. Inspection.....	1		
8. Statistical reporting.....	1		
9. Executive direction.....	5		
Total obligations	348	253	268
Financing:			
Advances and reimbursements from—			
Other accounts.....	300	228	228
Non-Federal sources (40 U.S.C. 481(c)).....	48	25	40
Total financing	348	253	268

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	110	107	109
Positions other than permanent.....	153	60	60
Other personnel compensation.....	18	13	13
Total personnel compensation	280	180	181
12 Personnel benefits:			
Travel and transportation of persons.....	6	10	10
21 Transportation of things.....	5	3	3
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	2	8	8
24 Printing and reproduction.....	18		
25 Other services.....	1	21	20
26 Supplies and materials.....	2	1	1
31 Equipment.....	33	28	43
Total obligations	348	253	268

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	18	16	16
Full-time equivalent of other positions.....	36	16	16
Average number of all employees.....	53	32	32
Number of employees at end of year.....	16	16	16
Average GS grade.....	7.8	7.5	7.5
Average GS salary.....	\$6,382	\$6,724	\$6,796

Proposed for later transmission:

REFUNDING INTERNAL REVENUE COLLECTIONS

Under proposed legislation, 1962.—Legislation will be proposed to extend the present rate on certain excise taxes now scheduled for reduction or repeal on July 1, 1961, and to retain all receipts from aviation gasoline in the general fund. The proposed legislation as to rate extensions will cancel refunds which would have been applicable to floor stocks of certain taxable articles on hand as of July 1, 1961. The proposed legislation on aviation gasoline will eliminate refunds which under present law are charged to the Highway trust fund. It is anticipated that refunds of internal revenue tax collections will decrease by \$229 million in 1962 as a result of the proposed legislation.

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; **[\$4,100,000]** \$4,462,000 (5 U.S.C. 258a, 282-282c; 18 U.S.C. 1401-1407; 21 U.S.C. 171-184a, 188-188n, 197-199, 501-517; 26 U.S.C. 4701-4762, 4771-

BUREAU OF NARCOTICS—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

4774, 7237, and 7607; 49 U.S.C. 781-788; Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administering and enforcing the Federal narcotic and marihuana laws.....	3,954	4,238	4,368
2. Executive direction.....	78	94	94
Total program costs.....	4,032	4,332	4,462
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	5		
Total obligations.....	4,037	4,332	4,462
Financing:			
Unobligated balance lapsing.....	43		
New obligational authority.....	4,080	4,332	4,462
New obligational authority:			
Appropriation.....	4,080	4,100	4,462
Proposed supplemental due to pay increases.....		232	

The Bureau investigates, detects, and prevents violations of the Federal narcotic and marihuana laws and related statutes.

COMPARATIVE STATEMENT OF WORKLOAD

	1959 actual	1960 actual	1961 estimate	1962 estimate
Cases completed for prosecution:				
1. Narcotics:				
a. Registered persons.....	8	11	10	10
b. Unregistered persons.....	1,600	1,613	1,620	1,620
2. Marihuana.....	146	197	170	170
Subtotal, cases completed for prosecution.....	1,754	1,821	1,800	1,800
Other dispositions:				
1. Cases showing no criminal violations.....	28,290	31,300	31,000	31,000
2. Cases involving theft, military assistance, etc.....	1,325	1,445	1,450	1,450
3. Assistance to local authorities:				
a. Requests handled.....	9,230	11,730	10,500	10,500
b. Requests unable to handle.....	3,000	1,811	2,000	2,000
Subtotal, other dispositions.....	41,845	46,286	44,950	44,950
Total.....	43,599	48,107	46,750	46,750
Active investigations at close of year.....	3,882	3,919	4,000	4,000

3. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources reflected by the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods consumed).....	101	106	106	106
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	3	3	3	3
Total selected resources at end of year.....	104	109	109	109

	1960 actual	1961 estimate	1962 estimate
Selected resources at start of year (—).....	—104	—109	—109
Obligations incurred for costs of other years, net.....	5		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	2,610	2,881	2,888
Other personnel compensation.....	282	283	299
Total personnel compensation.....	2,892	3,164	3,187
12 Personnel benefits.....	199	244	249
21 Travel and transportation of persons.....	258	233	271
22 Transportation of things.....	37	29	37
23 Rent, communications, and utilities.....	123	108	122
24 Printing and reproduction.....	25	27	27
25 Other services.....	130	137	137
26 Supplies and materials.....	109	110	110
Purchase of evidence.....	258	260	300
31 Equipment.....	6	20	22
Total obligations.....	4,037	4,332	4,462

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	437	437	439
Average number of all employees.....	413	424	426
Number of employees at end of year.....	417	422	424
Average GS grade.....	8.2	8.4	8.4
Average GS salary.....	\$5,120	\$6,392	\$6,401

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administering and enforcing the Federal narcotic and marihuana laws (total obligations).....	76	84	84
Financing:			
Advances and reimbursements from other accounts.....	76	84	84

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	32	32	32
12 Personnel benefits.....	5	5	5
21 Travel and transportation of persons.....	3	3	3
23 Rent, communications, and utilities.....	1	1	1
25 Other services.....	13	13	13
Purchase of evidence.....	22	30	30
Total obligations.....	76	84	84

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	4	3	3
Average number of all employees.....	4	3	3
Number of employees at end of year.....	4	3	3
Average GS grade.....	10.2	11.1	11.1
Average GS salary.....	\$7,361	\$8,313	\$8,313

UNITED STATES SECRET SERVICE

Current authorizations:

SALARIES AND EXPENSES

For necessary expenses of the United States Secret Service, including purchase (not to exceed [ten for replacement only] *seventy-four* for police-type use which may exceed by [235] \$190 each the general purchase price limitation for the current fiscal year, of which *fifty-four are for replacement only*) and hire of passenger motor vehicles, [4,127,000] \$4,900,000. (18 U.S.C. 305b, as amended; Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries.....	3,953	4,165	4,661
2. General administrative services.....	142	157	161
3. Executive direction.....	72	78	78
Total program costs.....	4,167	4,400	4,900
4. Relation of costs to obligations: Cost financed from obligations of other years, net (-).....	-5		
Total obligations.....	4,162	4,400	4,900
Financing:			
Unobligated balance lapsing.....	304		
New obligational authority.....	4,466	4,400	4,900
New obligational authority:			
Appropriation.....	4,466	4,127	4,900
Proposed supplemental due to pay increases.....		273	

This Service is responsible for investigation of counterfeiting of currency, specie, and securities; forgery and conversion of Government checks and bonds; and non-criminal cases as directed by the Secretary of the Treasury. The protection of the President of the United States, his immediate family, the Vice President, and the President-elect is also covered by this appropriation.

NUMBER OF CASES CLOSED

	1959 actual	1960 actual	1961 estimate	1962 estimate
Check cases.....	32,173	41,202	36,758	42,918
Bond cases.....	3,618	3,750	3,800	5,000
Counterfeiting.....	4,197	7,130	7,100	7,500
Protective research cases.....	683	580	580	580
Other criminal and noncriminal cases.....	2,145	2,157	2,150	2,150
Total.....	42,816	54,819	50,388	58,148

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused).....	3	2	2	2
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	8	4	4	4
Total selected resources at end of year.....	11	6	6	6
Selected resources at start of year (-).....	-11	-6	-6	-6
Cost financed from obligations of other years, net (-).....	-5			

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	3,037	3,417	3,720
Other personnel compensation.....	166	180	183
Total personnel compensation.....	3,204	3,597	3,903
12 Personnel benefits.....	204	257	281
21 Travel and transportation of persons.....	441	279	307
22 Transportation of things.....	29	17	26
23 Rent, communications, and utilities.....	61	58	59
24 Printing and reproduction.....	8	8	8
25 Other services.....	79	71	76
26 Supplies and materials.....	83	74	79
31 Equipment.....	36	19	141
Unvouchered.....	17	20	20
Total obligations.....	4,162	4,400	4,900

Personnel Summary

Total number of permanent positions.....	474	474	522
Average number of all employees.....	441	454	502
Number of employees at end of year.....	453	454	502
Average GS grade.....	9.2	9.3	9.1
Average GS salary.....	\$6,832	\$7,501	\$7,398

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, [1,065,000] \$1,148,000. (3 U.S.C. 203(a), as amended; 5 U.S.C. 258(a); Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Protection of White House and grounds (total program costs).....	1,044	1,141	1,148
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	11		
Total obligations.....	1,055	1,141	1,148
Financing:			
New obligational authority.....	1,055	1,141	1,148
New obligational authority:			
Appropriation.....	1,055	1,065	1,148
Proposed supplemental due to pay increases.....		76	

1. This permanent police force protects the White House and grounds, and such White House areas of the Executive Office Building as the Secretary may prescribe.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused).....	12	21	21	21
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	8	10	10	10
Total selected resources at end of year.....	20	31	31	31
Selected resources at start of year (-).....	-20	-31	-31	-31
Obligations incurred for costs of other years, net.....		11		

UNITED STATES SECRET SERVICE—Con.

Current authorizations—Continued

SALARIES AND EXPENSES, WHITE HOUSE POLICE—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	939	1,078	1,088
Other personnel compensation.....	90	25	21
Total personnel compensation.....	1,029	1,103	1,110
12 Personnel benefits.....	18	31	31
21 Travel and transportation of persons.....	4	4	4
25 Other services.....	2	2	2
26 Supplies and materials.....	1	1	1
31 Equipment.....	1		
Total obligations.....	1,055	1,141	1,148

Personnel Summary

Total number of permanent positions.....	170	170	170
Average number of all employees.....	152	162	162
Number of employees at end of year.....	153	162	162
Average salaries of ungraded positions.....	\$6,107	\$6,650	\$6,716

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, [\$332,000] \$358,000. (5 U.S.C. 22, 258(a); Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Safeguarding Government securities and protection of Treasury buildings (total program costs).....	315	356	358
2. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	4		
Total obligations.....	319	356	358
Financing:			
Unobligated balance lapsing.....	19		
New obligational authority.....	338	356	358
New obligational authority:			
Appropriation.....	338	332	358
Proposed supplemental due to pay increases.....		24	

1. This force is responsible for safeguarding 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.

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (supplies and equipment unused).....	13	21	21	21
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	5	1	1	1
Total selected resources at end of year.....	18	22	22	22
Selected resources at start of year (—).....		—18	—22	—22
Obligations incurred for costs of other years, net....		4		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	274	306	309
Other personnel compensation.....	15	16	14
Total personnel compensation.....	289	321	323
12 Personnel benefits.....	22	28	29
23 Rent, communications, and utilities.....	1	1	1
25 Other services.....	2	1	1
26 Supplies and materials.....	5	4	4
Total obligations.....	319	356	358

Personnel Summary

Total number of permanent positions.....	70	70	70
Average number of all employees.....	62	64	64
Number of employees at end of year.....	60	64	64
Average GS grade.....	4.3	4.3	4.3
Average GS salary.....	\$4,369	\$4,717	\$4,753

Permanent authorizations:

CONTRIBUTION FOR ANNUITY BENEFITS

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Contributions for annuity benefits (total costs—obligations) (object class 12).....	239	293	293
Financing:			
New obligational authority (appropriation).....	239	293	293

The District of Columbia is reimbursed for benefit payments made from the revenue of the District of Columbia to or for members of the White House Police force and such members of the United States Secret Service entitled to benefits under the Policemen and Firemen's Retirement and Disability Act (72 Stat. 883).

Intragovernmental funds:

ADVANCES AND REIMBURSEMENTS
Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Suppressing counterfeiting and investigating check and bond forgeries.....	2	2	11
2. Safeguarding Government securities and protection of Treasury buildings.....	7	4	4
Total obligations.....	9	6	15
Financing:			
Advances and reimbursements from—			
Other accounts.....	7	4	4
Non-Federal sources (40 U.S.C. 481(c)).....	2	2	11
Total financing.....	9	6	15

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	5		
25 Other services.....	1		
26 Supplies and materials.....	1	4	4
31 Equipment.....	2	2	11
Total obligations.....	9	6	15

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1		
Average number of all employees.....	1		
Number of employees at end of year.....	1		
Average GS grade.....	4.0		
Average GS salary.....	\$4,670		

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 [\$4,900,000]; \$6,350,000.

[For an additional amount for "Salaries and expenses", \$500,000.] (5 U.S.C. 150; 31 U.S.C. 251-287; Treasury Department Appropriation Act, 1961; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct program:			
Operating costs:			
1. Manufacture of coins (domestic).....	2,231	2,763	3,363
2. Processing deposits and issues of monetary metals and coins.....	931	1,160	1,160
3. Protection of monetary metals and coins.....	793	865	865
4. Refining gold and silver bullion.....	485	510	510
5. Executive direction.....	140	152	152
Total direct operating costs.....	4,579	5,450	6,050
Capital outlay:			
6. Replacement of equipment.....	109	100	300
Total direct program costs.....	4,688	5,550	6,350

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Reimbursable program:			
1. Manufacture of coins and medals.....	1,457	1,365	1,270
7. Miscellaneous services to other accounts.....	301	175	130
Total reimbursable program costs.....	1,758	1,540	1,400
Total program costs.....	6,446	7,090	7,750
8. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—90		
Total obligations.....	6,356	7,090	7,750
Financing:			
Advances and reimbursements from—			
Other accounts.....	—301	—175	—130
Non-Federal sources.....	—599	—33	—20
Sale of proof coins.....	—858	—1,332	—1,250
Unobligated balance lapsing.....	2		
Total obligations.....	4,600	5,550	6,350
New obligational authority:			
Appropriation.....	4,600	5,400	6,350
Proposed supplemental due to pay increases.....		150	

Note.—Reimbursements from non-Federal sources above are receipts from foreign coinage (31 U.S.C. 367 (Jan. 29, 1874, 18 Stat. 6)); and proceeds from sale of medals and proof coins (31 U.S.C. 369 (as amended May 10, 1950, 64 Stat. 157)).

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 miscellaneous permanent appropriations.)

1. *Manufacture of coins.*—Production of coins is the major Mint activity. Funds requested for 1962 will permit production of approximately 3,350 million coins. In addition, Mint facilities are utilized from time to time for production of foreign coins on a reimbursable basis.

DOMESTIC COINAGE WORKLOAD

[In millions of pieces]

	1959 actual	1960 actual	1961 estimate	1962 estimate
Denomination:				
1 cent.....	1,126	1,981	2,078	2,489
5 cents.....	123	251	280	352
10 cents.....	239	223	252	309
25 cents.....	62	91	112	150
50 cents.....	20	21	28	50
Total.....	1,571	2,567	2,750	3,350

UNIT COSTS—PER 1,000—BY DENOMINATION

	1959 actual	1960 actual	1961 estimate	1962 estimate
Denomination:				
1 cent.....	\$0.93	\$0.74	\$0.81	\$0.80
5 cents.....	1.56	1.32	1.67	1.60
10 cents.....	1.22	.85	1.00	.97
25 cents.....	2.23	1.96	2.19	2.14
50 cents.....	4.74	3.45	3.82	3.54

TOTAL COST BY DENOMINATION

[In thousands]

	1959 actual	1960 actual	1961 estimate	1962 estimate
Denomination:				
1 cent.....	\$1,046	\$1,461	\$1,692	\$2,002
5 cents.....	192	331	468	565
10 cents.....	291	189	251	299
25 cents.....	139	179	246	321
50 cents.....	97	71	107	177
Total.....	1,764	2,231	2,763	3,363

BUREAU OF THE MINT—Continued

Current authorizations—Continued

SALARIES AND EXPENSES—Continued

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.

SELECTED STATISTICS REGARDING DEPOSIT ACTIVITY

[In thousands]

Description	1960 actual	1961 estimate	1962 estimate
Number of deposit transactions	9	9	9
Gold receipts and disbursements (value)	\$2,570,343	\$1,500,000	\$1,000,000
Sale of gold bars for industrial, professional, and artistic use (value)	\$87,047	\$85,000	\$85,000
Silver receipts (fine ounces)	29,871	75,000	75,000
Silver disbursements (fine ounces)	43,749	70,000	70,000
Uncurrent coins received (pieces)	19,541	20,000	20,000

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 1960, a total of \$234 thousand was deposited to miscellaneous receipts.

8. *Relation of costs to obligations.*—This relationship is derived from year-end balances of selected resources and applicable adjustments as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year:				
Inventories and items on order:				
Stores (goods unconsumed by projects)	429	428	428	428
Medals and proof coins (finished goods)	23	13	13	13
Work-in-process	130	94	94	94
Undelivered orders (appropriation balances obligated for goods and services on order not yet received)	42	85	85	85
Advances (payments for goods and services on order not yet received)	6	5	5	5
Accounts receivable (bills rendered to users for goods and services reimbursable to this appropriation)	69	8	8	8
Accrued annual leave (leave earned and not taken by employees, charged to activity costs)	-522	-544	-544	-544
Total selected resources at end of year	178	88	88	88
Selected resources at start of year (-)		-178	-88	-88
Adjustment of selected resources reported at start of year		1		
Costs financed from obligations of other years, net (-)		-90		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions	4,342	4,603	5,335
Positions other than permanent	26	10	
Other personnel compensation	581	572	325
Total personnel compensation	4,950	5,185	5,660
Direct obligations:			
11 Personnel compensation	3,605	4,320	4,742
12 Personnel benefits	215	291	340
21 Travel and transportation of persons	30	30	30
22 Transportation of things	7	125	125
23 Rent, communications, and utilities	259	284	338
24 Printing and reproduction	4	5	5
25 Other services	24	28	33
Services of other agencies	7	7	7
26 Supplies and materials	329	350	420
31 Equipment	112	100	300
42 Insurance claims and indemnities	7	10	10
Total direct obligations	4,598	5,550	6,350
Reimbursable obligations:			
11 Personnel compensation	1,345	865	918
12 Personnel benefits	81	58	65
21 Travel and transportation of persons	8	7	7
22 Transportation of things	60	80	90
23 Rent, communications, and utilities	77	85	90
24 Printing and reproduction	9	10	10
25 Other services	7	10	10
26 Supplies and materials	82	100	110
31 Equipment	62	325	100
42 Insurance claims and indemnities	26		
Total reimbursable obligations	1,758	1,540	1,400
Total obligations	6,356	7,090	7,750

Personnel Summary

Total number of permanent positions	822	831	956
Average number of all employees	800	809	934
Number of employees at end of year	824	831	930
Average GS grade	6.8	6.7	6.7
Average GS salary	\$5,897	\$6,378	\$6,486
Average salary of ungraded positions	\$5,151	\$5,248	\$5,312

Permanent authorizations:

BUREAU OF THE MINT PERMANENT APPROPRIATIONS

(Indefinite special funds)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Minor coinage profits, etc.:			
Distribution of coins	316	395	360
Coinage wastage and recoinage losses	55	55	60
2. Silver profit fund:			
Distribution of coins	303	420	348
Coinage wastage and recoinage losses	81	100	80
Purchase of alloy metal	106	80	112
Total program costs—obligations	860	1,050	960

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	-472	-395	-400
Unobligated balance carried forward.....	395	400	400
New obligational authority.....	783	1,055	960
New obligational authority:			
“Minor coinage profits, etc.”.....	371	440	420
“Silver profit fund”.....	412	615	540
Appropriation.....	783	1,055	960

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things:			
Minor coinage profits, etc.....	316	395	360
Silver profit fund.....	303	420	348
26 Supplies and materials: Silver profit fund..	106	80	112
42 Insurance claims and indemnities:			
Minor coinage profits, etc.....	55	55	60
Silver profit fund.....	81	100	80
Total obligations.....	860	1,050	960

BUREAU OF ENGRAVING AND PRINTING

Current authorizations:

[EMERGENCY REPAIRS TO THE BUREAU OF ENGRAVING AND PRINTING ANNEX BUILDING]

[For necessary expenses in connection with repairing the exterior stonework on the Bureau of Engraving and Printing Annex Building, \$1,250,000, to remain available until expended.] (Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Emergency repairs to Annex Building (total program costs) (object class 25).....		500	750
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....			-750
Obligations incurred for costs of other years, net.....		750	
Total obligations.....		1,250	
Financing:			
New obligational authority (appropriation).....		1,250	

1. *Emergency repairs to Annex Building.*—This provides for all expenses incident to repairing the limestone facing on the Bureau of Engraving and Printing Annex Building.

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1961, \$750 thousand.

Intragovernmental funds:

BUREAU OF ENGRAVING AND PRINTING FUND

The Bureau of Engraving and Printing designs, manufactures, and supplies all major evidences of a financial character issued by the United States. It is the sole source of U.S. currency and Federal Reserve notes, certificates of indebtedness, as well as most of the minor evidences of a financial character issued by the United States, such as postage, internal revenue, customs, and savings stamps. In addition, the Bureau prints bonds, commissions, certificates, etc. The Bureau also prints bonds, postage and internal revenue stamps for the governments of insular possessions.

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).

DELIVERIES AND COSTS

[Units and cost in thousands]

	1960 actual	1961 estimate	1962 estimate
1. Engraving and printing:			
(a) Currency:			
United States..... units..	1,189,484	1,047,904	1,029,112
Cost.....	\$10,719	\$9,756	\$9,756
Rate per thousand.....	\$9.01	\$9.31	\$9.48
Federal Reserve notes..... units..	591,648	540,432	530,000
Cost.....	\$5,424	\$5,119	\$5,062
Rate per thousand.....	\$9.17	\$9.47	\$9.55
(b) Stamps:			
U.S. postage..... units..	23,776,140	26,665,700	27,321,200
Cost.....	\$6,934	\$8,052	\$8,343
Rate per thousand.....	\$0.292	\$0.302	\$0.305
Internal revenue..... units..	1,734,901	1,806,687	1,806,687
Cost.....	\$817	\$923	\$924
Rate per thousand.....	\$0.471	\$0.511	\$0.511
Other..... units..	334,490	340,900	342,580
Cost.....	\$249	\$252	\$257
Rate per thousand.....	\$0.744	\$0.740	\$0.750
(c) Securities..... units..	7,284	7,235	7,433
Cost.....	\$1,291	\$1,414	\$1,471
Rate per thousand.....	\$177.19	\$195.40	\$197.86
(d) Commissions, certificates, etc.			
..... units..	8,203	11,910	13,008
Cost.....	\$386	\$326	\$331
Rate per thousand.....	\$47.11	\$27.41	\$25.48
2. Card checks purchased..... units..	382,098		
Cost.....	\$1,186		
Rate per thousand.....	\$3.10		
3. Cost of operation and maintenance of incinerator and space utilized by other agencies.....	\$361	\$373	\$375
4. Other direct charges for miscellaneous services.....	\$244	\$30	\$205
Total cost.....	\$27,611	\$26,246	\$26,723

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 an overall decrease of 10.8% in 1961 and 12.5% in 1962 as compared with deliveries made in 1960. Analysis of this decrease by type of currency reflects a reduction in requirements for U.S. currency of 11.9% in 1961 with an additional reduction of 1.6% in 1962. Requirements for Federal Reserve notes decrease 8.7% in the current year with an additional 1.9% in the budget year.

BUREAU OF ENGRAVING AND PRINTING—Con.**Intragovernmental funds—Continued****BUREAU OF ENGRAVING AND PRINTING FUND—Continued**

(b) *Stamps*.—Estimated requirements for this class of work reflect an increase of 11% in 1961 and 14% in 1962 over 1960, due principally to an appreciable rise in the demand for postage stamps.

(c) *Securities*.—This program encompasses the production of a wide variety of bonds, notes, and debentures for the Bureau of the Public Debt and certain other agencies of the Government. The anticipated requirements of the agencies in 1961 and 1962 are substantially the same as deliveries made in 1960.

(d) *Commissions, certificates, etc.*—The estimated requirements of the various agencies for this type work indicate an increase of 45% in 1961 and 58% in 1962 as compared with 1960. Although this represents a substantial increase in the volume requirements, the total production cost for all of these items represents only slightly more than 1% of the overall engraving and printing program.

2. *Purchase of card checks*.—Effective July 1, 1960, all functions formerly performed by the Bureau in connection with the awarding of the annual contract to a commercial firm for the printing of Government checks in punched card form, and exercising administrative control over their procurement was transferred to the Office of the Treasurer of the United States.

3. *Operation and maintenance of the incinerator and space utilized by other agencies*.—Charges are made to other agencies on an actual cost basis for use of the incinerator and maintenance services provided for the space they occupy in the Bureau's buildings.

4. *Other direct charges for miscellaneous services*.—Charges for a wide variety of miscellaneous services performed by Bureau personnel are made to the agencies concerned on an actual cost basis.

Operating results and financial condition.—The Bureau sustained a loss of \$181 as a result of operations during 1960. This loss, together with a deficit of \$64 thousand brought forward from prior years, will be recovered from any profits accruing in subsequent years in accordance with provisions of 31 U.S. Code 181–181e. Budget expenditures are expected to exceed receipts in the amount of \$299 thousand in 1961 and estimated to be \$201 thousand below receipts in 1962.

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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Engraving and printing:			
Acquisition of equipment.....	2,064	1,503	1,742
Expense:			
Purchase of commodities for manufacture or sale.....	3,845	4,221	4,202
Other expense.....	19,439	20,074	20,049
Card checks: Purchase of commodity and other expense.....	1,186		
Operation and maintenance of incinerator and space utilized by other agencies: Expense.....	361	373	375
Other direct charges to agencies for services: Expense.....	244	30	205

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied)—Continued			
Increase in selected working capital.....		408	
Total gross expenditures.....	27,138	26,609	26,572
Receipts from operations (funds provided):			
Engraving and printing: Revenue.....	25,819	25,907	26,143
Card checks: Revenue.....	1,186		
Operation and maintenance of incinerator and space utilized by other agencies: Revenue.....	361	373	375
Other direct charges to agencies for services: Revenue.....	245	30	205
Undistributed receipts: Proceeds from sale of equipment.....	47		
Decrease in selected working capital.....	143		50
Total receipts from operations.....	27,801	26,310	26,773
Budget expenditures.....	-663	299	-201

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Engraving and printing:			
Revenue.....	25,819	25,907	26,143
Expense.....	25,795	25,672	26,125
Net operating income, engraving and printing.....	24	235	19
Card checks:			
Revenue.....	1,186		
Expense.....	1,186		
Net operating income, card checks.....			
Operation and maintenance of incinerator and space utilized by other agencies:			
Revenue.....	361	373	375
Expense.....	361	373	375
Net operating income, operation and maintenance of incinerator and space utilized by other agencies.....			
Other direct charges to agencies for services:			
Revenue.....	245	30	205
Expense.....	244	30	205
Net operating income, other direct charges to agencies for services.....	1		
Nonoperating income or loss (—):			
Proceeds from sale of equipment.....	47		
Net book value of disposed assets (—).....	-73	-171	-19
Net nonoperating loss (—).....	-26	-171	-19
Net income or loss (—) for the year.....	-64	64	
Deficit (—), beginning of year.....	-64	-64	
Deficit (—), end of year.....	-64		

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,863	3,564	3,765
Accounts receivable, net.....	1,062	1,590	1,590
Commodities for sale.....	5,882	6,456	6,200
Supplies and prepaid expenses.....	1,209	1,159	1,109
Deferred charges.....	175	197	338
Fixed assets, net.....	16,742	16,101	16,065
Total assets.....	28,932	29,066	29,066
Liabilities:			
Current.....	3,746	3,815	3,815

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Non-interest-bearing capital (start and end of year).....	25,251	25,251	25,251
Deficit (—).....	—64		
Total Government investment.....	25,187	25,251	25,251

Note.—Unpaid undelivered orders are as follows: 1959, \$3,138 thousand; 1960, \$1,898 thousand; 1961, \$1,450 thousand; 1962, \$1,450 thousand. These orders exclude contracts issued during the year, but only effective in the following year, as follows: 1959, \$3,804 thousand; 1960, \$2,583 thousand; 1961, \$2,500 thousand; 1962, \$2,500 thousand.
Unfilled customers' orders are as follows: 1959, \$217 thousand; 1960, \$388 thousand; 1961, \$200 thousand; 1962, \$200 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	15,967	16,459	16,504
Other personnel compensation.....	724	701	640
Add excess of annual leave earned over leave taken.....	103		
Total personnel compensation.....	16,794	17,160	17,143
12 Personnel benefits.....	1,125	1,330	1,330
21 Travel and transportation of persons.....	10	10	10
22 Transportation of things.....	273	78	78
23 Rent, communications, and utilities.....	453	472	478
24 Printing and reproduction.....	6	7	7
25 Other services.....	288	200	320
Services of other agencies.....	251	129	130
26 Supplies and materials.....	5,665	5,263	5,283
31 Equipment.....	2,064	1,503	1,742
42 Insurance claims and indemnities.....	1		
Total accrued expenditures.....	26,931	26,151	26,522
Decrease (—) in unpaid undelivered orders.....	—1,240	—448	
Total obligations.....	25,691	25,703	26,522

Personnel Summary

Total number of permanent positions.....	3,531	3,313	3,255
Average number of all employees.....	3,246	3,130	3,150
Number of employees at end of year.....	3,191	3,091	3,130
Average GS grade.....	5.6	5.7	5.7
Average GS salary.....	\$5,138	\$5,654	\$5,723
Average salary of ungraded positions.....	\$4,828	\$5,000	\$5,014

COAST GUARD

Current authorizations:

OPERATING EXPENSES

For necessary expenses for the operation and maintenance of the Coast Guard, not otherwise provided for, including hire of passenger motor vehicles; services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of not to exceed thirty-two passenger motor vehicles for replacement only; maintenance, operation, and repair of aircraft; recreation and welfare; and uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); **[\$205,000,000] \$212,500,000**: *Provided*, That the number of aircraft on hand at any one time shall not exceed one hundred and thirty-five 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 not to exceed \$100,000 may be expended for expenses, not otherwise provided for, necessary to enable the Coast Guard to discharge its responsibilities in connection with the meeting of the International Technical Conference on Lighthouses and Other Aids to Navigation, including transportation and entertainment of official representatives. (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. 139, 943; 37 U.S.C. 111a; 46 U.S.C. 1, 170(12), 170b, 239(f), 288, 362, 364, 366, 367, 369, 372, 375, 381, 382(b), 391, 392, 395, 404, 405, 408, 435, 455, 526, 545, 660, 660a, 672, 689, 738; 50 U.S.C. 191, 194; 69 Stat. 635; 70 Stat. 151, 747, 807, 857; Treasury Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct program:			
1. Vessel operations.....	50,975	53,241	54,444
2. Aviation operations.....	22,700	26,145	26,628
3. Shore stations and aids operations.....	53,300	57,447	62,528
4. Repair and supply facilities.....	4,750	5,077	4,493
5. Training and recruiting facilities.....	7,300	7,747	8,026
6. Administration and operational control.....	25,860	27,988	28,090
7. Other military personnel expense.....	20,490	22,833	21,304
8. Supporting programs.....	6,402	7,622	9,253
Total direct program costs.....	191,777	208,100	210,766
9. Unfunded adjustment to total direct program costs: Property or services transferred in (—) without charge, net.....	—10,653	—5,241	—4,679
Total direct program costs, funded.....	181,124	202,859	210,087
10. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	8,113	2,591	2,413
Total direct obligations.....	189,237	205,450	212,500
Reimbursable program:			
11. Operation of ocean stations (Navy).....	16,885	16,980	16,980
12. Miscellaneous services to other accounts.....	11,966	16,719	17,120
Total reimbursable program costs.....	28,851	33,699	34,100
13. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—434		
Total reimbursable obligations.....	28,417	33,699	34,100
Total obligations.....	217,654	239,149	246,600
Financing:			
Advances and reimbursements from—			
Other accounts.....	—28,209	—33,499	—33,900
Non-Federal sources (40 U.S.C. 481(c)).....	—207	—200	—200
Unobligated balance lapsing.....	562		
New obligational authority.....	189,800	205,450	212,500
New obligational authority:			
Appropriation.....	189,800	205,000	212,500
Proposed supplemental due to pay increases.....		450	

The Coast Guard enforces maritime law, provides limited security of ports and waterfront facilities, saves life and property, provides navigational aids to maritime

COAST GUARD—Continued

Current authorizations—Continued

OPERATING EXPENSES—Continued

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

	1960 actual	1961 estimate	1962 estimate
Vessel operations:			
Lives saved or persons rescued.....	551	550	550
Vessels towed to port.....	2,002	2,100	2,200
Search and rescue missions.....	5,003	5,100	5,200
Law enforcement and port security missions..	3,912	650	670
Aids to navigation missions.....	6,947	7,000	7,000
Vessels boarded and papers examined.....	28,586	30,650	32,700

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

	1960 actual	1961 estimate	1962 estimate
Aviation operations:			
Lives saved or persons rescued.....	116	150	150
Search and rescue missions.....	6,066	6,700	7,400
Law enforcement and port security missions..	645	660	675
Logistics missions, Coast Guard.....	9,281	9,750	10,250

3. Shore stations and aids operations.—Bases, moorings and lifeboat stations are strategically situated for search, rescue and law enforcement and for maintaining aids to navigation. Port security units 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, lightships, lighthouses, fog signal stations, light attendant stations, radiobeacons, and loran stations are maintained as navigational aids in the waters of the United States, its possessions and military bases overseas. Radio stations provide rapid communication incident to all Coast Guard operations. They also 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 also administer the small-boat safety program.

WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Shore stations and aids operations:			
Lives saved or persons rescued.....	1,476	1,500	1,600
Vessels towed to port.....	9,297	9,500	10,000
Search and rescue missions.....	18,506	20,000	21,500
Law enforcement and port security missions..	25,507	21,000	21,300
Aids to navigation missions.....	9,591	10,000	10,300
Vessels boarded and papers examined.....	126,630	150,000	175,000
Port security cards issued.....	32,224	30,000	30,000

WORKLOAD DATA—Continued

	1960 actual	1961 estimate	1962 estimate
Shore stations and aids operations—Continued			
Inspection of hazardous cargo.....	9,397	10,820	12,830
Navigational aids operated (manned).....	448	436	435
Navigational aids operated (unmanned).....	38,870	42,290	43,034
Loran transmitting and monitor stations operated.....	55	62	72
Marine officer licenses issued.....	23,300	24,000	24,000
Seamen documents and certificates issued....	46,231	45,000	45,000
Vessels inspected for certification.....	3,142	4,100	6,000
Vessel inspections.....	35,670	38,200	40,400
Vessel plans and blueprints reviewed.....	32,000	33,500	35,000
Vessels numbered by Coast Guard (lieu of documentation).....	202,466	365,000	365,000
Structures inspected (Outer Continental Shelf Lands Act).....	167	200	200

4. Repair and supply facilities.—Thirteen repair and eleven supply facilities are maintained at strategic points for support of Coast Guard operating units. Also, two facilities are maintained for testing, developing and adapting material for safer and more effective Coast Guard use.

5. Training and recruiting facilities.—This activity includes the Coast Guard Academy for the training of cadets, recruiting stations, training units for recruits and petty officers, and outside training programs.

WORKLOAD DATA

	1960 actual	1961 estimate	1962 estimate
Training and recruiting facilities:			
Cadets.....	579	570	570
Recruits trained.....	5,664	6,500	6,050
Other personnel in training.....	4,008	4,350	4,160

6. Administration and operational control.—This activity provides for administrative services performed by headquarters at Washington, D.C., district and area offices, regional inspection offices and liaison activities with other agencies.

7. Other military personnel expense.—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, training, recreation, and death gratuities.

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.

10. 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 shown in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Direct program:				
Selected resources at end of year: Inventories and items on order:				
Stores (goods and operating equipment unconsumed by activities)....	31,013	34,642	37,180	39,301
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	13,367	16,490	16,434	16,956
Advances (payments for goods and services on order not yet received)....	2,006	3,049	2,999	2,749
Uncompleted work orders.....	1,129	530	689	710
Total selected resources at end of year.....	47,516	54,712	57,303	59,716

	1960 actual	1961 estimate	1962 estimate
Direct program—Continued			
Selected resources at start of year (—)	-47,516	-54,712	-57,303
Adjustment of selected resources reported at start of year	917	-----	-----
Obligations incurred for costs of other years, net	8,113	2,591	2,413

11. *Reimbursable program by activities—Operation of ocean stations.*—The operation of 6 ocean stations (4 in the Atlantic and 2 in the Pacific), on the basis of 3 cutters per station is financed by the Department of Defense as a defense requirement. These vessels perform the dual function of ocean station duty and search and rescue.

12. *Miscellaneous services to other accounts.*—Various activities of the Coast Guard are financed by other agencies. They include, in part, operation of one vessel for the United States Information Agency.

13. *Relation of costs to obligations.*—The relationship between reimbursable costs and reimbursable obligations is derived from year-end balances of selected resources and applicable adjustment as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Reimbursable program:				
Selected resources at end of year:				
Unpaid undelivered orders	1,862	1,330	1,330	1,330
Advances	-----	30	30	30
Uncompleted work orders	257	150	150	150
Total selected resources at end of year	2,119	1,511	1,511	1,511
Selected resources at start of year (—)	-2,119	-1,511	-1,511	-1,511
Adjustment of selected resources reported at start of year	175	-----	-----	-----
Costs financed from obligations of other years, net (—)	-434	-----	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions:			
Military	81,312	87,580	87,593
Civilian	16,344	17,532	17,645
Positions other than permanent	223	235	235
Other personnel compensation	299	279	239
Total personnel compensation	98,179	105,626	105,712
Direct program:			
11 Personnel compensation	90,043	97,427	97,739
12 Personnel benefits:			
Military	29,300	30,657	29,833
Civilian	1,248	1,589	1,597
21 Travel and transportation of persons	5,112	5,531	5,700
22 Transportation of things	3,500	3,609	3,670
23 Rent, communications, and utilities	2,404	2,938	2,938
24 Printing and reproduction	610	616	515
25 Other services	16,805	17,129	20,400
Services of other agencies	2,902	3,000	3,000
26 Supplies and materials	25,955	27,890	30,124
31 Equipment	10,958	14,652	16,572

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Direct program—Continued			
32 Land and structures	239	250	250
41 Grants, subsidies, and contributions	66	67	67
42 Insurance claims and indemnities	113	113	113
Subtotal	189,255	205,468	212,518
Deduct quarters and subsistence charges	-18	-18	-18
Total direct obligations	189,237	205,450	212,500
Reimbursable program:			
11 Personnel compensation	8,136	8,199	7,973
12 Personnel benefits:			
Military	3,209	3,232	3,067
Civilian	3	4	4
21 Travel and transportation of persons	834	831	900
22 Transportation of things	369	388	400
23 Rent, communications, and utilities	351	417	400
24 Printing and reproduction	41	41	40
25 Other services	9,083	10,348	11,500
26 Supplies and materials	5,285	8,039	7,616
31 Equipment	1,106	2,200	2,200
Total reimbursable obligations	28,417	33,699	34,100
Total obligations	217,654	239,149	246,600

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Direct program:			
Military:			
Average number	26,230	27,228	27,396
Number of military personnel at end of year	26,155	27,228	27,396
Civilian:			
Total number of permanent positions	3,388	3,401	3,412
Full-time equivalent of other positions	42	42	42
Average number of all employees	3,164	3,201	3,212
Number of employees at end of year	3,394	3,392	3,403
Average GS grade	5.7	5.7	5.8
Average GS salary	\$5,139	\$5,652	\$5,740
Average grade and salary established by head of agency:			
Average salary	\$3,826	\$4,120	\$4,121
Average range (lighthouse keepers)	\$3,309-	\$3,559-	\$3,559-
	\$3,843	\$4,135	\$4,135
Average salary of ungraded positions	\$5,383	\$5,401	\$5,401
Reimbursable program:			
Total number of positions:			
Military	3,165	3,166	3,074
Civilian: Positions other than permanent	9	9	9
Average number of all employees	3,174	3,175	3,083
Number of employees at end of year	3,169	3,175	3,083

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); **[\$30,000,000]** \$36,500,000, to remain available until expended. (Title 14 U.S.C.; Treasury Department Appropriation Act, 1961.)

COAST GUARD—Continued

Current authorizations—Continued

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS—Continued

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate	Analysis of 1962 financing		
				Deduct selected resources and unobligated balance, start of year	Add selected resources and unobligated balance, end of year	Appropriation required for 1962
Program by activities:						
Direct program:						
1. Vessels.....	308	7,356	7,820	7,120	13,200	13,900
2. Aviation facilities.....	18,225	12,579	10,947	13,932	16,994	14,009
3. Shore stations and navigational aids.....	2,522	5,771	5,367	3,424	2,746	4,689
4. Repair and supply facilities.....	2,034	2,885	651	210	804	1,245
5. Training and recruiting facilities.....	1,074	1,778	1,567	810	1,900	2,657
Total direct program costs.....	24,163	30,369	26,352	25,496	35,644	36,500
7. Unfunded adjustment to total direct program costs: Property or services transferred in (—) without charge, net.....	—92					
Total direct program costs, funded.....	24,071	30,369	26,352			
8. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—).....	—2,338					
Obligations incurred for costs of other years, net.....		4,185	10,148			
Total direct program obligations.....	21,733	34,554	36,500			
Reimbursable program:						
1. Vessels.....	700					
2. Aviation facilities.....	24					
6. Loran to meet Department of Defense requirements.....	18,213	26,016	19,067			
Total reimbursable program costs.....	18,937	26,016	19,067			
8. Relation of costs to obligations:						
Costs financed from obligations of other years, net (—).....		—926	—67			
Obligations incurred for costs of other years, net.....	682					
Total reimbursable program obligations.....	19,618	25,090	19,000			
Total obligations.....	41,351	59,644	55,500			
Financing:						
Unobligated balance brought forward:						
Direct appropriation.....	—2,774	—4,661	—107			
Reimbursable.....	—7,985	—12,290	—9,000			
Advances and reimbursements from other accounts.....	—23,924	—21,800	—10,000			
Recovery of prior year obligations.....	—369					
Unobligated balance carried forward:						
Direct appropriation.....	4,661	107	107			
Reimbursable.....	12,290	9,000				
New obligational authority (appropriation).....	23,250	30,000	36,500			

This appropriation provides for the acquisition, construction, rebuilding, and improvement of vessels, aircraft, shore stations, and aids to navigation.

Direct program by activities—1. *Vessels*.—A program for replacement of the 83-foot wooden-hulled patrol craft with 82-foot steel-hulled craft was begun in 1960. The 1962 request will provide for construction of 10 of these craft. Some of these boats will replace the remaining 83-foot patrol boats and the balance will provide interim replacements for certain old and deteriorated larger vessels. The replacement programs for buoy boats and harbor tugs begun in 1960 and 1961, respectively, will be continued in 1962 with the construction of two buoy boats and four tugs. A vessel replacement program will be further augmented with the construction of two medium-endurance vessels.

2. *Aviation facilities*.—Implementation of the Revised Joint Report on the Requirements of Coast Guard Avia-

tion will be continued in 1962 by the procurement of three fixed-wing (SC-130B) and two helicopter (HUS) replacement aircraft, and by the establishment of a helicopter detachment at Los Angeles, Calif. The new detachment will require procurement of two additional helicopters (HUS) and supporting facilities. Additional life-of-type spare parts will be procured to cover the extended 5-year life of four recently modified, fixed-wing (UF-2G) aircraft. At the same time, a warehouse will be constructed at the Aircraft Repair and Supply Base, Elizabeth City, N.C., for storage of aircraft spare parts.

3. *Shore stations and navigational aids*.—Aids to navigation will be established in waterways improved and developed by the Corps of Engineers. Other aids will be established or replaced as made necessary by the natural shifting of channels and the changing needs of marine commerce. Fixed light structures will be constructed on marine sites to replace Savannah and Stone Horse

Lightship stations. In addition, minor rebuilding and improvements will be affected to the existing systems of fixed aids and to one lifeboat station.

4. *Repair and supply facilities.*—Quarters and necessary facilities for officers and enlisted men will be constructed at base, Miami Beach, Fla. Major repairs will be made to the drydocks at the yard and essential improvements will be made to the facilities of the bases at St. Louis, Mo., and Morehead City, N.C.

5. *Training and recruiting facilities.*—One 500-man barracks will be constructed at receiving center, Cape May, N.J., in the first phase of a long-range program to rehabilitate the facilities at that unit. The program for expansion of permanent facilities at the academy, New London, Conn., will be continued in 1962 with the construction of new barracks, galley, mess, and recreation facilities for enlisted personnel and the conversion of the present enlisted men's barracks building to classrooms.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Direct program:				
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).....	20,559	14,727	18,674	27,337
Advances (payments for goods and services on order not yet received).....	1,496	6,477	6,715	8,200
Work in process.....	1,857			
Total selected resources at end of year.....	23,912	21,204	25,389	35,537
Selected resources at start of year (—).....	—23,912	—21,204	—21,204	—25,389
Adjustment of selected resources reported at start of year.....		369		
Costs financed from obligations of other years, net (—).....	—2,338			
Obligations incurred for costs of other years, net.....			4,185	10,148

Reimbursable programs—6. *Loran to meet Department of Defense requirements.*—This program is accomplished by the Coast Guard with reimbursement from the Department of Defense. Reimbursements of \$21.8 million in 1961 provide for construction of 11 additional stations; construction of permanent facilities at 3 existing stations; acquisition of related support facilities for 10 stations; the training of personnel; and the manning and initial operation of the stations during the shakedown period. The 1962 estimate contemplates reimbursement of \$10 million to continue the Loran construction program.

8. *Relation of costs to obligations.*—The relationship is derived from year-end balances of selected resources as shown in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Reimbursable program:				
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).....	9,678	13,733	13,942	13,875
Advances (payments for goods and services on order not yet received).....	1,197	1,134		
Work in process.....	3,311			
Total selected resources at end of year.....	14,186	14,868	13,942	13,875
Selected resources at start of year (—).....	—14,186	—14,868	—14,868	—13,942
Costs financed from obligations of other years, net (—).....			—926	—67
Obligations incurred for costs of other years, net.....		682		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Direct program:			
11 Personnel compensation: Positions other than permanent.....	368	631	646
12 Personnel benefits.....	25	47	50
21 Travel and transportation of persons.....	57	62	97
22 Transportation of things.....	22	22	29
23 Rent, communications, and utilities.....	1	1	1
24 Printing and reproduction.....	4	4	4
25 Other services.....	2,530	2,272	257
26 Supplies and materials.....	1,555	1,867	955
31 Equipment.....	13,317	23,624	26,572
32 Lands and structures.....	3,853	6,024	7,889
Total direct obligations.....	21,733	34,554	36,500
Reimbursable program:			
11 Personnel compensation:			
Military.....	772	778	1,083
Positions other than permanent.....	49	197	199
Total personnel compensation.....	821	975	1,282
12 Personnel benefits.....	235	265	322
21 Travel and transportation of persons.....	166	343	100
22 Transportation of things.....	152	325	150
23 Rent, communications, and utilities.....	2	4	4
24 Printing and reproduction.....			
25 Other services.....	1,664	2,574	1,968
26 Supplies and materials.....	884	1,277	128
31 Equipment.....	3,106	3,927	1,900
32 Lands and structures.....	12,589	15,400	13,146
Total reimbursable obligations.....	19,618	25,090	19,000
Total obligations.....	41,351	59,644	55,500

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Direct program:			
Average number of all employees.....	56	97	97
Number of employees at end of year.....	71	77	77
Reimbursable program:			
Total number of positions:			
Military.....	391	250	324
Full-time equivalent of other positions.....	13	29	29
Average number of all employees.....	292	279	353
Number of employees at end of year.....	325	279	353

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, [\$30,000,000] \$30,750,000. (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 Department Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Enlisted men.....	11,811	12,335	12,875
2. Commissioned officers.....	11,671	11,970	12,088
3. Warrant officers.....	3,891	4,043	4,163
4. Former Lighthouse and Lifesaving Services.....	1,694	1,701	1,649
5. Reserve personnel.....	81	111	135
6. Survivors' benefits.....	—179	—160	—160
Total program costs—obligations (object class 13).....	28,969	30,000	30,750
Financing:			
Unobligated balance lapsing.....	531		
New obligational authority (appropriation).....	29,500	30,000	30,750

COAST GUARD—Continued

Current authorizations—Continued

RETIRED PAY—Continued

This appropriation provides for payments to retired personnel of the Coast Guard and Coast Guard Reserve, members of the former Lifesaving Service, members of the former Lighthouse Service and certain surviving dependents of retired personnel.

The table below divides activities into those persons who retired for involuntary and voluntary reasons. The columns headed "involuntary" include all retirements for age, physical disability, and forced attrition. The columns headed "voluntary" include retirements for military personnel with over 30 years' service, those with 20 to 30 years' service and other optional retirements.

TYPE OF RETIREMENTS

	1960 actual		1961 estimate		1962 estimate	
	Involuntary	Voluntary	Involuntary	Voluntary	Involuntary	Voluntary
Total on roll, beginning of year.....	4,638	4,448	4,563	4,745	4,551	5,071
Additions to rolls:						
Commissioned.....	43	42	46	39	55	42
Warrant.....	16	66	28	32	36	27
Enlisted.....	101	235	120	328	120	286
Former Lighthouse and Lifesaving Services.....	16	11	22	11	23	10
Reserve personnel (Public Law 810).....	-----	7	-----	10	-----	11
Total additions.....	176	361	216	420	234	376
Less attritions.....	251	64	228	94	262	88
Total on roll, end of year.....	4,563	4,745	4,551	5,071	4,523	5,359

6. *Survivors' benefits.*—This item shows the excess of deductions from retired pay over the annuity payments made to the beneficiaries of deceased retired personnel who have provided for such annuity payments under the provisions of the Uniformed Services Contingency Option Act of 1953. Derivation of the net cost is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Survivors' benefit payments.....	68	60	65
Deductions from retired payments.....	-247	-220	-225
Net cost (savings).....	-179	-160	-160

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 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; for maintenance and operation of facilities; for supplies, equipment, and services; and the maintenance, operation, and repair of aircraft; \$16,000,000: *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, 255, 301, 305, 310; 50 U.S.C. 921, 1051, 1053; 70 Stat. 747; 70 Stat. 807, 857; Treasury Department Appropriation Act, 1961.*)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Direct program:			
1. Trainee expense.....	7,721	8,882	8,798
2. Operation of training facilities.....	4,482	4,254	4,307
3. Construction of training facilities.....	1,290	-----	-----
4. Administration.....	2,836	2,864	2,895
Total direct program costs.....	16,329	16,000	16,000
5. Unfunded adjustment to direct program costs: Property or services transferred in (-) without charge, net.....	-2	-----	-----
Total direct program costs, funded.....	16,327	16,000	16,000
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-920	-----	-----
Total direct obligations.....	15,407	16,000	16,000
Reimbursable program:			
7. Operation of Officer Indoctrination School.....	348	-----	-----
Total obligations.....	15,755	16,000	16,000
Financing:			
Advances and reimbursements from other accounts.....	-348	-----	-----
Unobligated balance lapsing.....	93	-----	-----
New obligational authority (appropriation)	15,500	16,000	16,000

The Reserve training program is designed to provide a trained force of 39,600 officers and enlisted personnel in the Ready Reserve available for active duty in time of war or national emergency and at such other times as the national security requires to fill the needs of the Coast Guard.

The training program is organized into categories analogous to the required phases of mobilization. The primary category is designed to provide trained units and personnel for specific assignments within 15 days of the outset of mobilization. This program provides 48 paid drills of at least 2 hours' duration and 2 weeks active duty for training for personnel assigned to organized training units who occupy positions that require continued training in critical specialties in order to maintain a high degree of proficiency for unit or individual mobilization assignments. The second category is designed to provide specialized training to additional individuals, scheduled for early mobilization, in nonpay units and/or 15 to 30 days' periodic active duty for training. The third and final category is comprised of personnel scheduled for mobilization within 6 months of the outset of mobilization who, due to previous training either in units or on active duty and in some cases whose civilian occupations are closely allied to their military specialties, do not require frequent training.

The proposed program for 1962 will provide a total of 31,760 officers and enlisted personnel in all categories of the Ready Reserve by the end of the fiscal year. This figure represents a reduction of 1,490 personnel from that attained by the end of 1961 due to the high rate of attrition among those reservists whose enlistments expire or whose obligations are completed.

Direct program by activities—1. *Trainee expense*.—The program for 1961 provides for an increase from 16,187 to 16,777 in the number of reservists to receive training of the types required for mobilization purposes. 1962 provides a decrease from 16,777 to 16,556 in the number to receive the same types of training. This reduction results from a decrease of 281 in the number of trainees to receive 6 months' active duty for training, an increase of 55 to perform 15-30 days' active duty for training, an increase of 5 trainees to receive paid training in organized training units, and normal attrition.

TYPES OF TRAINING PLANNED

Type of training	1961			
	Trainees, June 30	Man-days of training		Total
		Drills	Active duty for training	
"A" (48 drills, 15 days active duty for training):				
Port security.....	10,839	500,020	122,775	622,795
Vessel augmentation.....	3,399	156,799	37,590	194,389
Rescue coordination center.....	216	9,965	2,985	12,950
Electronics.....	224	10,333	3,075	13,408
Aviation support.....	85	3,921	1,170	5,091
Mobilization detachment.....	54	2,491	765	3,256
Instructor-inspector.....	39	1,799	555	2,354
Interservice aviation.....	40	1,845	600	2,445
Interservice other.....	90	4,152	1,350	5,502
Selective service.....	9	415	135	550
Subtotal.....	14,995	691,740	171,000	862,740
"D" (24 drills, 15 days active duty for training).....	345	15,280	5,175	10,455
"F" (6 months active duty for training):				
Officer and enlisted.....	1,437	-----	476,460	476,460
Officer Candidate School preceding active duty.....	-----	-----	18,000	18,000
Total, all types.....	16,777	697,020	670,635	1,367,655

Type of training	1962			
	Trainees, June 30	Man-days of training		Total
		Drills	Active duty for training	
"A" (48 drills, 15 days active duty for training):				
Port security.....	10,844	520,512	128,130	648,642
Vessel augmentation.....	3,399	163,152	39,570	202,722
Rescue coordination center.....	216	10,368	3,060	13,428
Electronics.....	224	10,752	3,120	13,872
Aviation support.....	85	4,080	1,185	5,265
Mobilization detachment.....	54	2,592	810	3,402
Instructor-inspector.....	39	1,872	585	2,457
Interservice aviation.....	40	1,920	600	2,520
Interservice other.....	90	4,320	1,350	5,670
Selective service.....	9	432	135	567
Subtotal.....	15,000	720,000	178,545	898,545
"D" (24 drills, 15 days active duty for training).....	400	15,280	7,690	12,970
"F" (6 months active duty for training):				
Officer and enlisted.....	1,156	-----	409,894	409,894
Total, all types.....	16,556	725,280	596,129	1,321,409

¹ These items represent non-paid man-days and have been included in the total drill man-days.

2. *Operation of training facilities*.—This activity encompasses the operation of facilities for the training of Reserve personnel at the receiving center, Cape May, N.J.; training station, Groton, Conn.; base, Alameda, Calif., and Reserve Training Center, Yorktown, Va. It also includes the operation of 2 training vessels and 223 Organized Reserve training units.

These facilities were utilized to provide training to reservists in 1961 and will be utilized in 1962. Increased utilization of centralized training centers, such as Reserve Training Center, Yorktown, Va., for the 2 weeks active

duty for training programs has enabled the Coast Guard to more closely align its training program with mobilization objectives. Both the proficiency of units and the individuals assigned are expected to improve as a result of this training program change.

The decrease in number of 6-month personnel to receive training permits the reduction of 22 enlisted instructors, and funds for maintenance and ammunition at the various training facilities utilized for this purpose. The savings realized through this reduction has been reallocated to other items under this activity to offset increased costs of temporary instructors for the summer active-duty-for-training program; increased costs for the operation and maintenance of organized training units; and for 6 additional personnel required to administer enlisted correspondence courses at the Coast Guard Institute.

3. *Construction of training facilities*.—There will be no construction, activation or improvements projects undertaken in 1962.

4. *Administration*.—This activity encompasses all administrative costs at both headquarters and district offices associated with the management of the Reserve training program, recruitment of personnel, and the "in training and ineffectives" billets for personnel in school, in transit, etc. This program provides for the same level of administration as the previous year.

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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and item on order:				
Undelivered orders (appropriation balances obligated for goods and services on order not yet received).....		820	400	400
Advances (payments for goods and services on order not yet received).....		518	6	6
Total selected resources at end of year.....		1,338	406	406
Selected resources at start of year (—).....		—1,338	—406	—406
Adjustment of selected resources reported at start of year.....			13	-----
Costs financed from obligations of other years, net (—).....			—920	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Personnel compensation:			
Permanent positions:			
Military.....	3,102	2,917	2,892
Civilian.....	540	593	598
Drill and active duty pay of trainees.....	6,141	6,879	6,718
Total personnel compensation.....	9,783	10,388	10,207
Direct program:			
11 Personnel compensation.....	9,663	10,383	10,207
12 Personnel benefits:			
Military.....	1,296	1,541	1,457
Civilian.....	35	48	48
21 Travel and transportation of persons.....	734	918	1,166
22 Transportation of things.....	112	170	171
23 Rent, communications, and utilities.....	153	155	159
24 Printing and reproduction.....	4	37	42
25 Other services.....	720	1,136	1,232
26 Supplies and materials.....	1,798	1,426	1,337
31 Equipment.....	467	181	181
32 Lands and structures.....	426	-----	-----
Total direct obligations.....	15,407	16,000	16,000

COAST GUARD—Continued**Current authorizations—Continued****RESERVE TRAINING—Continued****Object Classification (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Reimbursable program:			
11 Personnel compensation.....	120		
12 Personnel benefits: Military.....	5		
21 Travel and transportation of persons.....	23		
22 Transportation of things.....	21		
25 Other services.....	104		
26 Supplies and materials.....	65		
31 Equipment.....	10		
Total reimbursable obligations.....	348		
Total obligations.....	15,755	16,000	16,000

Personnel Summary

	1960	1961	1962
Military:			
Average number.....	934	915	899
Number of military personnel at end of year.....	960	893	899
Civilian:			
Total number of permanent positions.....	146	134	134
Average number of all employees.....	122	123	123
Number of employees at end of year.....	129	134	134
Average GS grade.....	4.2	4.3	4.3
Average salary.....	\$4,166	\$4,701	\$4,774
Average salary of ungraded positions.....	\$4,589	\$4,699	\$4,699

Intragovernmental funds:**COAST GUARD SUPPLY FUND**

The Coast Guard supply fund, in accordance with 14 U.S.C. 650, finances the procurement of uniform clothing, commissary provisions, general stores, and technical materials. The fund is financed by reimbursements from Coast Guard appropriations for goods purchased.

Costs of approximately \$15.6 million to be incurred under this fund in 1962 are divided: 12% for uniform clothing, 68% for commissary provisions, 22% for general stores and technical materials.

Sales are expected to be \$771 thousand more in 1961 than in 1960. For the most part this increase is attributable to an overall increase in personnel. Sales in 1962 are expected to be \$300 thousand above 1960, but \$500 thousand below the 1961 sales.

Since very little variation is expected between sales and purchases, the inventory level will remain near the 1960 level.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Purchase of commodities for sale:			
Clothing.....	1,512	2,210	1,828
Commissary supplies.....	10,184	10,525	10,675
General stores.....	3,071	3,317	3,151
Increase in selected working capital.....	68		
Total gross expenditures.....	14,836	16,052	15,654

Sources and Application of Funds (Operations) (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Sale of commodities:			
Clothing.....	1,836	2,220	1,828
Commissary supplies.....	10,204	10,525	10,675
General stores.....	3,311	3,377	3,151
Total receipts from operations.....	15,351	16,122	15,654
Budget expenditures.....	-515	-70	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960	1961	1962
Revenue.....	15,351	16,122	15,654
Expense:			
Clothing.....	1,844	2,220	1,828
Commissary supplies.....	10,204	10,525	10,675
General stores.....	3,322	3,377	3,151
Total expense.....	15,371	16,122	15,654
Net operating loss (-) for the year.....	-20		
Retained earnings or deficit (-), beginning of year.....	4	-15	-15
Deficit (-), end of year.....	-15	-15	-15

Financial Condition (in thousands of dollars)

	1960	1961	1962
Assets:			
Cash with Treasury.....	2,470	2,540	2,540
Accounts receivable, net.....	1,184	1,184	1,184
Advances.....	3		
Commodities for sale:			
Clothing.....	1,347	1,337	1,337
Commissary supplies.....	973	973	973
General stores.....	2,222	2,240	2,240
Total assets.....	8,200	8,275	8,275
Liabilities:			
Current.....	1,442	1,439	1,439
Government investment:			
Non-interest-bearing capital:			
Start of year.....	6,767	6,773	6,851
Transfer of material from other inventory accounts (Public Law 84-1014).....	7	78	
End of year.....	6,773	6,851	6,851
Deficit (-).....	-15	-15	-15
Total Government investment.....	6,758	6,836	6,836

Note.—Unpaid undelivered orders are as follows: 1959, \$737 thousand; 1960, \$1,170 thousand; 1961, \$1,170 thousand; 1962, \$1,170 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	15,181	16,049	15,654

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]	1960 actual	1961 estimate	1962 estimate
Vessel repairs and alterations.....		30	28	29
Vessel construction.....		31	44	41
Small boat construction.....		12	5	6
Small boat repair.....		1	1	1
Buoy fabrication.....		4	4	4
Fabrication of special items.....		21	17	18
Sales of surplus material and scraps.....		1	1	1
Total.....		100	100	100

ANALYSIS BY RECIPIENT OF YARD SERVICES				
	[Percent]	1960 actual	1961 estimate	1962 estimate
Coast Guard.....		89	90	90
Other Government agencies.....		11	10	10
Total.....		100	100	100

Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Gross expenditure (funds applied):			
Purchase of equipment.....	119	118	125
Expense:			
Purchase of raw materials.....	4,351	4,851	3,998
Other expense.....	7,884	8,014	7,927
Increase in selected working capital.....			209
Total gross expenditures.....	12,354	12,983	12,259
Receipts from operations (funds provided):			
Sales of goods and services.....	12,253	12,858	12,065
Proceeds from sale of equipment.....	7	8	8
Decrease in selected working capital.....	1,666	248	
Total receipt from operations.....	13,926	13,114	12,072
Budget expenditures.....	-1,572	-131	186

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Operating income or loss (-):			
Revenue:			
Funded.....	12,253	12,858	12,065
Unfunded.....	470	340	265
Total revenue.....	12,723	13,198	12,330
Expense.....	12,568	13,236	12,328
Net operating income or loss (-).....	155	-38	2
Nonoperating loss (-):			
Proceeds from sale of equipment.....	7	8	8
Net book value of assets sold (-).....	-11	-8	-9
Net loss (-) from sale of equipment.....	-4		-2
Net income or loss (-) for the year.....	150	-38	
Analysis of retained earnings:			
Retained earnings or deficit (-), beginning of year.....	-122	51	14
Prior year adjustment, not affecting working capital.....	23		
Retained earnings, end of year.....	51	14	14

Financial Condition (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	2,917	3,048	2,862
Accounts receivable, net.....	744	575	545
Inventories:			
Raw materials.....	1,950	2,078	2,080
Finished goods.....	234	196	195
Work-in-process.....	4,989	1,662	1,658

Financial Condition (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Assets—Continued			
Land, structures, and equipment, net.....	6,719	6,505	6,515
Deferred charges.....	9	17	15
Total assets.....	17,562	14,081	13,870
Liabilities:			
Current.....	4,092	4,141	3,899
Advances received—value of work performed.....	4,989	1,662	1,658
Total liabilities.....	9,081	5,803	5,557
Government investment:			
Non-interest-bearing capital:			
Start of year.....	8,369	8,430	8,265
Donations in—			
Raw materials, net.....	34	20	
Fixed assets, net.....	265	193	255
Donations out: Machinery and equipment, net.....	-3		
Writeoff of fixed assets, net.....	-18	-151	
Depreciation not recoverable from operations (-).....	-217	-228	-220
End of year.....	8,430	8,265	8,299
Retained earnings.....	51	14	14
Total Government investment.....	8,481	8,278	8,313

Note.—Unpaid undelivered orders are as follows: 1959, \$486 thousand; 1960, \$855 thousand; 1961, \$715 thousand; 1962, \$718 thousand.
Unfilled customers orders are as follows: 1959, \$1,174 thousand; 1960, \$2,545 thousand; 1961, \$2,126 thousand; 1962, \$1,925 thousand.

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions:			
Military.....	131	155	160
Civilian.....	6,385	6,299	5,791
Other civilian personnel compensation.....	356	220	169
Total personnel compensation.....	6,873	6,674	6,120
12 Personnel benefits:			
Military.....	48	64	68
Civilian.....	386	422	502
21 Travel and transportation of persons.....	3	7	7
22 Transportation of things.....	30	36	36
23 Rent, communications, and utilities.....	210	190	190
24 Printing and reproduction.....	3	3	3
25 Other services.....	186	467	397
26 Supplies and materials.....	4,562	4,972	4,606
31 Equipment.....	119	118	118
Total accrued expenditures.....	12,420	12,953	12,047
Increase or decrease (-) in undelivered orders.....	369	-139	3
Total obligations.....	12,789	12,814	12,049

Personnel Summary			
	1960 actual	1961 estimate	1962 estimate
Military:			
Average number.....	28	38	41
Number of military personnel at end of year.....	27	38	41
Civilian:			
Total number of permanent positions.....	1,211	1,082	990
Average number of all employees.....	1,083	1,031	960
Number of employees at end of year.....	1,176	1,006	952
Average GS grade.....	5.8	6.1	6.2
Average GS salary.....	\$5,229	\$5,863	\$5,940
Average salary of ungraded positions.....	\$5,692	\$5,924	\$6,008

INTEREST ON THE PUBLIC DEBT**Permanent authorizations:**

INTEREST ON THE PUBLIC DEBT

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of interest (total obligations) (object class 14).....	9,179,589	8,900,000	8,500,000
Financing:			
New obligational authority (appropriation).....	9,179,589	8,900,000	8,500,000

Such amounts are appropriated as may be necessary to pay the interest each year on the public debt (31 U.S.C. 711(2), 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 1960 was distributed among the following categories:

	[In thousands of dollars]
Marketable.....	6,283,933
Savings bonds.....	1,502,932
Special issues.....	1,193,095
Other nonmarketable issues.....	199,629
Total.....	9,179,589

MEMORANDUM**STATUTORY PUBLIC DEBT RETIREMENTS****Permanent authorizations:**

CUMULATIVE SINKING FUND

(Indefinite)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase or redemption of public debt securities (total obligations).....		1,000,000	
Financing:			
Unobligated balance brought for- ward.....	-12,057,967	-12,691,316	-12,348,415
Unobligated balance carried for- ward.....	12,691,316	12,348,415	13,029,264
New obligational authority (appropriation).....	633,349	657,099	680,849

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-b).

DISTRICT OF COLUMBIA
BUDGET AUTHORIZATIONS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Description	Functional code	NEW AUTHORIZATIONS (appropriations unless otherwise specified)			BUDGET EXPENDITURES				
		1960 enacted	1961 estimate		1962 estimate	1960 actual	1961 estimate	1962 estimate	
			Enacted	Proposed for later transmission				Total	From new obligational authority
Current authorizations:									
Federal payment to District of Columbia.....	609	27,218	27,533		38,753	27,218	27,533	38,753	38,753
Loans to District of Columbia for capital outlay, general fund.....	609	20,000	15,900		16,000			6,000	
Loans to District of Columbia for capital outlay, highway fund.....	609	13,100	3,500				5,000	5,000	
Loans to District of Columbia for capital outlay, water fund.....	609	1,200				900	4,114	2,600	
Loans to District of Columbia for capital outlay, sanitary sewage works fund.....	609		700		8,600		2,500	4,660	
Federal contribution and loans to the metropolitan area sanitary sewage works fund.....	609		25,200				2,700	9,000	
Proposed for later transmission (other than pay increase supplements):									
Under existing legislation: Federal payment to the District of Columbia.....	609			6,000			6,000		
Total new obligational authority and budget expenditures.....		61,518	72,833	6,000	63,353	28,118	47,847	66,013	38,753
RECAPITULATION									
Enacted or recommended in this document:									
Current authorizations:									
Appropriations.....		61,518	72,833		63,353	28,118	41,847	66,013	38,753
Proposed for later transmission:									
Appropriations.....			6,000				6,000		
Total new obligational authority and budget expenditures.....		61,518	78,833		63,353	28,118	47,847	66,013	38,753

ANALYSIS OF UNEXPENDED BALANCES

[In thousands of dollars]

Description	Balance, start of 1960		Balance, start of 1961		Balance, start of 1962		Balance, start of 1963	
	Unobligated	Total	Unobligated	Total	Unobligated	Total	Unobligated	Total
Enacted or recommended in this document:								
Appropriations:								
Loans to the District of Columbia for capital outlay, general fund.....			20,000	20,000	35,900	35,900	45,900	45,900
Loans to the District of Columbia for capital outlay, highway fund.....	26,738	26,738	39,838	39,838	38,338	38,338	33,338	33,338
Loans to the District of Columbia for capital outlay, water fund.....	16,530	16,530	16,830	16,830	12,716	12,716	10,116	10,116
Loans to the District of Columbia for capital outlay, sanitary sewage works fund.....	4,300	4,300	4,300	4,300	2,500	2,500	6,440	6,440
Federal contribution and loans to the metropolitan area sanitary sewage works fund.....					22,500	22,500	13,500	13,500
Total, District of Columbia.....	47,568	47,568	80,968	80,968	111,954	111,954	109,294	109,294

SUMMARY OF BUDGET AUTHORIZATIONS, EXPENDITURES, AND BALANCES

[In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
New obligational authority	61,518	78,833	63,353
Unobligated balances brought forward, start of year.....	47,568	80,968	111,954
Unobligated balances carried forward, end of year (-).....	-80,968	-111,954	-109,294
Obligations incurred, net	28,118	47,847	66,013
Budget expenditures	28,118	47,847	66,013

RECAPITULATION OF BUDGET AUTHORIZATIONS AND EXPENDITURES

BY FUNCTION

[In thousands of dollars]

Function and subfunction	New obligational authority			Expenditures		
	1960 enacted	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
General government: 609 Territories and possessions, and the District of Columbia.....	61,518	78,833	63,353	28,118	47,847	66,013

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, [1961] 1962, 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 [\$25,000,000] \$36,000,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1960] 1961), (2) the highway fund (when designated as payable therefrom), established by law (D.C. Code, title 47, ch. 19), (3) the water fund (when designated as payable therefrom), established by law (D.C. Code, title 43, ch. 15), and [\$1,661,000] \$1,855,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1960] 1961), (4) the sanitary sewage works fund (when designated as payable therefrom), established by law (Public Law 364, 83d Congress), and [\$872,000] \$898,000, which is hereby appropriated for the purpose out of any money in the Treasury not otherwise appropriated (to be advanced July 1, [1960] 1961), 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, [\$20,100,000] \$24,600,000, which, together with balances of previous appropriations for this purpose, shall remain available until expended, for loans authorized by the Act of May 18, 1954 (68 Stat. 101), and the Act of June 6, 1958 (72 Stat. 183), to be advanced upon request of the Commissioners to the following funds: general fund, [\$15,900,000] \$16,000,000, of which \$3,600,000 shall be available for the financing of appropriations made for capital outlay during prior fiscal years, and sanitary sewage works fund, [\$700,000] \$8,600,000. (District of Columbia Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payment to District of Columbia.....	25,000	25,000	36,000
2. Payments for water and sewer service.....	2,218	2,533	2,753
Total obligations.....	27,218	27,533	38,753
Financing:			
New obligational authority (appropriation) ...	27,218	27,533	38,753

The Federal payment of \$36 million includes \$32 million as the authorized annual payment and \$4 million in authorized, but previously unappropriated, payment for prior years by the United States toward defraying expenses of the Government of the District of Columbia. Payment of \$2,753 thousand is for water and sewer services (61 Stat. 361; 68 Stat. 113; 70 Stat. 83; 72 Stat. 183).

A supplemental appropriation for 1961 is anticipated under Proposed for later transmission.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	2,218	2,533	2,753

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
41 Grants, subsidies, and contributions.....	25,000	25,000	36,000
Total obligations.....	27,218	27,533	38,753

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, GENERAL FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction of public works program (total obligations) (object class 33).....			6,000
Financing:			
Unobligated balance brought forward.....		-20,000	-35,900
Unobligated balance carried forward.....	20,000	35,900	45,900
New obligational authority (appropriation)	20,000	15,900	16,000

This appropriation is for 30-year interest-bearing loans from U.S. 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). Of the \$16 million requested in 1962, \$3.6 million is for financing appropriations made for capital outlay in prior years. The status of the \$75 million authorization is (in thousands of dollars):

[Cumulative figures]

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	20,000	35,900	51,900
Funds withdrawn.....			6,000
Amounts repaid.....			

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, HIGHWAY FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Improvement of the District of Columbia highway system (total obligations) (object class 33).....		5,000	5,000
Financing:			
Unobligated balance brought forward.....	-26,738	-39,838	-38,338
Unobligated balance carried forward.....	39,838	38,338	33,338
New obligational authority (appropriation)	13,100	3,500	-----

This appropriation is for 30-year interest-bearing loans from U.S. Treasury to assist in financing a program of highway construction projects (68 Stat. 110).

Current authorizations—Continued

**LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY,
HIGHWAY FUND—Continued**

The status of the \$50,250 thousand authorization is (in thousands of dollars):

[Cumulative figures]

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	39,838	43,338	43,338
Funds withdrawn.....		5,000	10,000
Amounts repaid.....			

**LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY,
WATER FUND**

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Loans for the expansion and improvement of the District of Columbia water system (total obligations) (object class 33).....	900	4,114	2,600
Financing:			
Unobligated balance brought forward.....	-16,530	-16,830	-12,716
Unobligated balance carried forward.....	16,830	12,716	10,116
New obligational authority (appropriation)	1,200		

This appropriation is for 30-year interest-bearing loans from U.S. Treasury to assist in financing a program of expansion and improvement of the water system (64 Stat. 195; 68 Stat. 103). The status of the \$35 million authorization is (in thousands of dollars):

[Cumulative figures]

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	31,080	31,080	31,080
Funds withdrawn.....	14,250	18,364	20,964
Amounts repaid.....	475	728	1,075

LOANS TO DISTRICT OF COLUMBIA FOR CAPITAL OUTLAY, SANITARY SEWAGE WORKS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Improvement of sanitary sewage system of the District of Columbia (total obligations) (object class 33).....		2,500	4,660
Financing:			
Unobligated balance brought forward.....	-4,300	-4,300	-2,500
Unobligated balance carried forward.....	4,300	2,500	6,440
New obligational authority (appropriation)		700	8,600

This appropriation is for 30-year interest-bearing loans from U.S. Treasury to assist in financing the construction, operation, maintenance, and the repair of the sanitary sewage works of the District of Columbia (68 Stat. 105; 74 Stat. 811). The status of the \$32 million authorization is (in thousands of dollars):

[Cumulative figures]

	1960 actual	1961 estimate	1962 estimate
Appropriations.....	4,300	5,000	13,600
Funds withdrawn.....		2,500	7,160
Amounts repaid.....			

**[FEDERAL CONTRIBUTION AND LOANS TO THE METROPOLITAN AREA
SANITARY SEWAGE WORKS FUND]**

[For payment of the Federal contribution to the Metropolitan area sanitary sewage works fund of the District of Columbia, \$2,700,000, and for loans to be advanced and credited to said fund upon request of the Commissioners, \$22,500,000, both amounts to remain available until expended.] (74 Stat. 210; Supplemental Appropriation Act, 1961.)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction of Potomac interceptor sewer line (total obligations).....		2,700	9,000
Financing:			
Unobligated balance brought forward.....			-22,500
Unobligated balance carried forward.....		22,500	13,500
New obligational authority (appropriation)		25,200	

This appropriation is for a Federal contribution (\$2,700 thousand) and loan (\$22,500 thousand) to finance the acquisition of rights-of-way, preparation of plans and specifications, and construction of a sanitary interceptor and trunk sewer line from the Dulles International Airport to the District of Columbia system (74 Stat. 510). The status of the \$25,200 thousand authorization is (in thousands of dollars):

[Cumulative figures]

	1960 actual	1961 estimate	1962 estimate
Appropriations.....		25,200	25,200
Funds withdrawn.....		2,700	11,700
Amounts repaid.....			

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans.....			9,000
41 Grants, subsidies, and contributions.....		2,700	
Total obligations.....		2,700	9,000

Proposed for later transmission:

FEDERAL PAYMENT TO DISTRICT OF COLUMBIA

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment to District of Columbia (total obligations) (object class 41).....		6,000	
Financing:			
New obligational authority (proposed supplemental appropriation).....		6,000	

Under existing legislation, 1961.—In addition to the appropriation of \$25 million of the authorized \$32 million Federal payment, it is anticipated that a supplemental appropriation of \$6 million will be required to finance additional general fund expenditures resulting from recent salary increases and the related retirement expenses for classified personnel, teachers, police, and fire personnel of the District of Columbia.

PART III

ESTIMATES FOR TRUST FUNDS

Table 10. Trust Receipts and Expenditures
Detailed Estimates

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. Government 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 F 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 F 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 a 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 transactions to move money into other funds, as well as refunds and the return of money to depositors. When the collections are larger than the gross expenditures, the amount shown as an expenditure is a negative item.

NET ACCUMULATION IN TRUST AND DEPOSIT FUNDS

Table 10 shows the net accumulation during each year 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 in 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.

TRUST FUNDS

Trust funds are not federally owned and their transactions are therefore excluded from budget receipts and expenditures. Nevertheless, trust funds are significant parts of the Government's program, particularly in labor, welfare, and highway activities. Table 5 of part I of this budget shows budget expenditures, trust expenditures, and total Federal payments to the public for 1962.

Trust receipts and expenditures are both estimated at about \$25.2 billion in 1962. The bulk of the transactions and most of the money are in the eight major trust funds discussed below.

Social security and Federal employee staff programs for retirement, disability, or death.—The Federal disability insurance, Federal old-age and survivors insurance (OASI), the Railroad retirement account, and the Federal employees trust funds provide insurance against the loss of income due to retirement, disability, or death. Payments are made primarily from moneys derived from payroll taxes on employers, employees, and the self-employed. Receipts not immediately needed for benefit outlays are invested in securities of the Federal Government and earn interest, while a deficit is financed by cashing holdings of such securities. The first two trust funds are authorized by the Social Security Act of 1935, as amended, and comprise the Federal old-age, survivors, and disability insurance (OASDI) program. The 1960 amendments to the Social Security Act liberalized the insured status requirements for benefits, authorized benefits for disabled workers—regardless of age—and their dependents, provided increases in children's benefits, and liberalized the retirement test for beneficiaries. As a result of the amendments 1.3 million additional beneficiaries will be on the rolls at the end of 1962, bringing the total number of persons receiving benefits to 17.2 million.

Expenditures from the OASDI trust funds will increase by \$1.1 billion in 1962 due to the normal year-to-year increase in the number of beneficiaries and as a result of the increased benefit outlays resulting from the 1960 amendments. Expenditures of the OASI trust fund, alone, are expected to exceed receipts in 1961 and 1962. The combined tax rate paid by employers and employees (including $\frac{1}{4}\%$ on each for disability insurance) is scheduled to increase on January 1, 1963, from 6% to 7% and should enable the fund to resume building up reserves after 1962.

The railroad retirement system is closely coordinated with OASDI and serves as a combined social insurance and staff retirement system for workers in the railroad industry. Payrolls are taxed at $6\frac{1}{4}\%$ on both employers and employees. Receipts of the Railroad retirement account were abnormally high in 1960 because of a special payment from the Federal OASI trust fund for both 1959 and 1960.

Most Federal civilian workers are covered under either the Civil Service Retirement Act or the Foreign Service Retirement Act. Since 1957, Armed Forces personnel have been covered under both the OASI system (on a contributory basis) and under the military retirement system (financed directly from appropriated budget funds).

The following table indicates the number of individuals receiving monthly benefits from these trust funds 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				
1960 actual.....	10,037	----	445	265
1961 estimate.....	10,947	----	462	288
1962 estimate.....	11,724	----	480	313
Disabled individuals and their dependents:				
1960 actual.....	92	522	96	102
1961 estimate.....	120	925	100	111
1962 estimate.....	149	1,102	104	120
Survivors: ²				
1960 actual.....	3,612	----	254	150
1961 estimate.....	3,925	----	262	163
1962 estimate.....	4,201	----	270	177

¹ Includes wives under retirement age who have children in their care under OASI.

² Includes children of retired workers under OASI.

Unemployment trust fund.—Unemployment insurance was also initiated for most workers by the Social Security Act, and for railroad workers by the Railroad Unemployment Insurance Act. Payroll taxes paid by employers are deposited in the unemployment trust fund. The States and the Railroad Retirement Board draw upon this fund to pay weekly benefits to eligible unemployed workers. The Railroad Retirement Board and, starting in 1961, the Bureau of Employment Security also draw upon the fund for unemployment insurance administrative expenses and the portion of taxes earmarked for these purposes are deposited in the fund.

Expenditures of the Unemployment trust fund are estimated to be \$4.2 billion in 1961 and \$3.8 billion in 1962, a decrease of \$0.4 billion due to an anticipated decline in the number of claims filed for compensation as present levels of insured unemployment recede. Receipts are estimated at about \$3.6 billion for both 1961 and 1962, resulting in a decline in the year-end balance of the fund from \$6.7 billion at the end of 1960 to \$6.1 billion at the end of 1961 and \$5.9 billion at the end of 1962.

Receipts from the Federal Unemployment Tax Act are estimated at \$470 million in 1962, an increase of \$123 million over 1961 due mostly to an increase in the rate of the tax from 0.3% to 0.4%. Receipts not needed for current administrative expenses will be used to rebuild the Federal unemployment account from which loans are made to State reserve accounts under specified conditions.

Veterans life insurance.—The trust accounts in the Veterans Administration consist mainly of two life insurance programs: The National service life insurance fund for veterans of World War II and the United States Government life insurance fund for veterans of World War I.

Both funds are operated largely on a commercial basis. Receipts come from premiums, interest on investments, and transfers from budgeted funds of the Federal Government to cover losses resulting from war hazards. Payments from the fund are made for dividends, death, and disability claims and for termination of policies in force.

In 1962, an estimated \$258 million will be paid in dividends and \$410 million in death and disability claims and other expenses. The funds represent about 5.5 million policies in force at a value of \$35 billion.

Highway trust fund.—Receipts from certain excise taxes on motor fuels, tires, and trucks are used to finance expenditures for Federal-aid highways.

The Highway Act of 1959 increased motor fuel taxes by 1 cent to 4 cents per gallon, for the period October 1, 1959, through June 30, 1961. In addition, from July 1, 1961, to June 30, 1964, half of the excise on passenger automobiles and five-eighths of the tax on parts and accessories are scheduled for diversion from the general fund to the trust fund. At present tax rates the diversion would yield \$810 million in 1962.

It is again proposed that the motor fuel tax be increased to 4½ cents per gallon effective July 1, 1961, to continue through 1972. Revenue increases under this proposal are estimated to be about \$780 million in 1962 and will be adequate in later years to permit completion of the Interstate System by 1973. This action will also make unnecessary the scheduled diversion of excises from the general fund and legislation is proposed to rescind this tax provision of the Highway Act of 1959.

Legislative proposals will also be submitted to finance authorizations for forest and public lands highways from the Highway trust fund and to retain revenues from aviation gasoline taxes in the general fund.

Federal National Mortgage Association secondary market operations.—In the secondary market part of its operations the Association buys and sells federally insured or guaranteed mortgages at prices prevailing in the market. These operations are, over a period of time, self-supporting in accordance with statutory objectives. Funds required for mortgage purchases in 1962 will be obtained: (a) from private sources through the sale of the Association's debentures; (b) through mortgage sales and repayments; (c) through the sale of common stock which all mortgage sellers are required to purchase; and (d) by sale of preferred stock to the Treasury in accordance with the statutory requirement that the Association maintain a minimum ratio of capital to debt of 1 to 10. Net trust expenditures are estimated to increase by \$238 million in 1962 as a result of increased mortgage purchases.

SUMMARY OF TRUST RECEIPTS AND EXPENDITURES

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
RECEIPTS				EXPENDITURES			
Federal disability insurance trust fund:	(1,071)	(1,081)	(1,136)	Federal disability insurance trust fund:	(571)	(763)	(992)
Employment taxes.....	939	958	1,000	Benefit payments.....	528	715	935
Deposits by States.....	58	67	68	Administrative expenses—reimbursement to Federal old-age and survivors insurance.....	30	34	44
Interest on investments.....	48	55	68	Other.....	13	14	14
Payments by Railroad retirement account.....	27	1	-----	Federal old-age and survivors insurance trust fund:	(11,152)	(11,845)	(12,684)
Federal old-age and survivors insurance trust funds:	(10,439)	(11,788)	(12,280)	Benefit payments.....	10,270	11,196	12,014
Employment taxes.....	9,272	10,543	11,006	Administrative expenses and construction.....	203	237	239
Deposits by States.....	650	732	748	Refunds of tax receipts.....	79	90	113
Interest on investments.....	516	512	525	Payment to Railroad Retirement Board.....	600	322	318
Other.....	1	1	1	Federal employees funds:	(852)	(927)	(1,028)
Federal employees retirement funds:	(1,766)	(1,938)	(1,960)	Retirement funds.....	896	998	1,094
Deductions from employees' salaries.....	752	801	801	Employees health benefits fund.....	-----	-21	-11
Payments from other funds:				Employees life insurance fund.....	-44	-50	-53
Employing agency contributions.....	752	799	799	Retired employees health benefits fund.....	-----	-----	-2
Federal contributions.....	-----	46	45	Railroad retirement account:	(1,136)	(1,106)	(1,128)
Voluntary contributions, donations, etc.....	11	16	16	Benefit payments.....	916	960	1,008
Interest and profits on investments.....	252	276	299	Administrative expenses.....	9	10	10
Railroad retirement account:	(1,403)	(1,132)	(1,176)	Payment to Federal disability insurance trust fund.....	27	1	-----
Employment taxes.....	607	600	640	Advances to Railroad unemployment insur- ance account.....	184	135	110
Interest and profits on investments.....	110	117	120	Unemployment trust fund:	(2,736)	(4,174)	(3,779)
Repayment of advances to Railroad unem- ployment insurance account.....	85	90	95	Withdrawals by States.....	2,366	3,310	2,840
Payment from OASI trust fund.....	600	322	318	Railroad unemployment benefit payments.....	275	165	170
Other.....	1	3	3	Administrative expenses.....	9	388	375
Unemployment trust fund:	(2,703)	(3,563)	(3,614)	Repayment of advances to—	-----	211	289
Deposits by States.....	2,167	2,465	2,400	Employment security revolving fund.....	-----	-----	-----
Federal unemployment taxes.....	-----	347	470	Railroad retirement trust fund.....	86	96	102
Railroad unemployment insurance account:				Refunds of taxes.....	-----	4	4
Employment taxes.....	153	165	170	Veterans life insurance funds.....	665	664	668
Advances from Railroad retirement account.....	184	135	110	Highway trust fund:	(3,049)	(2,999)	(3,158)
Advance from temporary revolving fund.....	-----	250	250	Federal-aid highways.....	2,940	2,868	2,991
Interest on investments.....	188	192	205	Interest on advances from general fund.....	5	3	-----
Other.....	11	9	9	Refunds of taxes.....	103	128	129
Veterans life insurance funds:	(703)	(739)	(773)	Forest and public lands highways (proposed).....	-----	-----	38
Premiums and other receipts.....	481	512	542	Federal National Mortgage Association, net.....	988	482	720
Payments from general and special funds.....	11	10	10	Deposit funds and all other trust funds.....	650	1,142	998
Interest on investments.....	211	217	221				
Highway trust fund:	(2,644)	(2,988)	(3,290)				
Excise taxes.....	2,642	2,987	3,288				
Interest on investments.....	2	1	2				
All other trust funds.....	713	1,010	960				
Total, trust fund receipts.....	21,442	24,239	25,189	Total, trust fund expenditures.....	21,799	24,102	25,155

TABLE 10
TRUST RECEIPTS AND EXPENDITURES
BY ORGANIZATION UNIT AND ACCOUNT TITLE

[In thousands of dollars]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Legislative branch:							
Library of Congress: Gift and trust fund income accounts:							
Cataloging project, Copyright Office.....	500	2			3	4	
Gift fund.....	200	332	310	310	452	366	341
Income from investment account.....	200	17	17	17	21	23	20
Payment of interest on bequest of Gertrude M. Hubbard.....	650	1	1	1	1	1	1
Payment of interest on permanent loan.....	650	178	179	179	141	206	183
Service fees.....	200	664	675	675	606	564	599
Total, legislative branch.....		1,194	1,182	1,182	1,224	1,164	1,144
The judiciary:							
Judicial survivors annuity fund.....	600	542	563	575	353	370	380
Funds appropriated to the President:							
Mutual security—economic and contingencies:							
Advances, Mutual Security Act.....	050	197,147	416,900	426,100	248,121	395,400	369,100
Advances for economic assistance.....	150					2	
Philippine assistance.....	150				162	22	
Technical assistance, United States dollars advanced from foreign governments.....	150	733	700	700	544	600	600
Total, funds appropriated to the President.....		197,880	417,600	426,800	248,826	396,024	369,700
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.....	200	1,760,374	1,928,997	1,950,783	892,728	993,585	1,088,583
Employees health benefits fund.....	200					-20,680	-11,109
Employees life insurance fund.....	200				-44,045	-50,326	-52,504
Retired employees health benefits fund.....	200						-2,110
Total, Civil Service Commission.....		1,760,374	1,928,997	1,950,783	848,683	922,579	1,022,860
Federal Aviation Agency:							
Expenses of foreign students.....	500	12			9	5	
Gifts and donations.....	500	15			87	216	70
Total, Federal Aviation Agency.....		27			95	221	70
Federal Communications Commission: International telecommunication settlements.....	500				-10	-5	
Foreign Claims Settlement Commission: War claims fund.....	600				96	90	80
General Accounting Office: Proceeds from estates of American citizens who die abroad.....	600	1			1	1	1
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration.....	500				2,580	550	-400
National Capital Planning Commission: Contributed fund.....	600	325	433	200	398	592	200
National Science Foundation: Donations.....	200	2	2	2	3	1	1
Railroad Retirement Board:							
Railroad retirement account.....	200	1,403,387	1,132,000	1,176,000	1,135,966	1,105,410	1,127,790
Proposed increase in transfer to "Salaries and expenses" due to pay increases.....	200					290	10
Smithsonian Institution: Canal Zone biological area fund.....	200	19	19	19	21	20	20
United States Information Agency: United States Information Agency trust funds.....	150	231	105	207	335	112	207
Veterans Administration:							
Adjusted-service certificate fund.....	100				293	225	180
General post fund, national homes.....	100	1,697	1,591	1,625	1,795	1,783	1,675
National service life insurance fund.....	100	642,588	680,803	719,801	581,575	582,815	595,301
United States Government life insurance fund.....	100	60,743	57,905	52,771	83,248	81,013	72,396
Total, Veterans Administration.....		705,028	740,299	774,197	666,910	665,836	669,552
Total, independent offices.....		3,869,395	3,801,857	3,901,410	2,655,080	2,695,699	2,820,393
General Services Administration:							
Real property activities: Advances for construction services.....	600	109	1,600	6,000	53	1,396	5,578
Records activities:							
National Archives gift fund.....	600	69	25	31	60	34	36
National Archives trust fund.....	600				-39	-24	-30
Total, General Services Administration.....		178	1,625	6,031	75	1,406	5,584

TABLE 10—Continued
 TRUST RECEIPTS AND EXPENDITURES—Continued
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Housing and Home Finance Agency:							
Federal National Mortgage Association: Secondary market operations fund.....	500				988,003	481,738	720,000
Department of Agriculture:							
Agricultural Research Service:							
Expenses and refunds, inspection and grading of farm products.....	350	635	430	447	702	410	435
Expenses, feed and attendants for animals in quarantine.....	350	31	30	35	34	40	36
Miscellaneous contributed funds.....	350	571	254	346	454	430	370
Extension Service: Miscellaneous contributed funds.....	350	5	7	6	7	7	6
Soil Conservation Service: Miscellaneous contributed funds.....	350	254	250	287	309	307	292
Agricultural Marketing Service:							
Expenses and refunds, inspection and grading of farm products.....	350	18,167	18,603	19,005	17,400	18,994	19,496
Miscellaneous contributed funds.....	350	64	45	41	82	52	42
Foreign Agricultural Service: Miscellaneous contributed funds.....	350	4	4		5	4	
Commodity Stabilization Service: Miscellaneous contributed funds.....	350	21	5	5	49	14	7
Farmers Home Administration: State rural rehabilitation funds.....	350				2,261	-563	-28
Office of Information: Miscellaneous contributed funds.....	350	2			2		
Forest Service:							
Cooperative work.....	400	22,094	22,500	23,000	17,661	21,000	21,500
Miscellaneous contributed funds.....	400				7	3	
Total, Department of Agriculture.....		41,849	42,128	43,172	38,971	40,698	42,156
Department of Commerce:							
Bureau of the Census: Special statistical work.....	200	2,579	1,396	1,400	1,648	1,600	1,600
Business and Defense Services Administration:							
Expenses, transcripts of studies, tables, and other records.....	500	586	600	600	536	700	700
Special statistical work.....	500	11	12	12	10	12	12
Maritime activities:							
Federal ship mortgage insurance escrow fund.....	500	49,860	1,400	490	826	23,794	24,761
United States Merchant Marine Academy, Kings Point, N.Y., donations for chapel and library.....	500	82	7		615	111	
Bureau of Public Roads:							
Highway trust fund:							
Existing legislation.....	500	2,644,354	2,988,000	3,348,000	3,048,790	2,998,963	3,123,000
Proposed legislation.....	500			-58,000			34,500
Advances from Alaska, public roads.....	500	16,186	8,000		15,380	8,971	
Advances from State cooperating agencies.....	500	144	63		2	205	
Contributions for highway research program.....	500	9			12		
Cooperative work, forest highways.....	500	78	501	500	343	568	500
Equipment, supplies, etc., for cooperating countries.....	150	3,875	4,800	4,800	3,752	4,860	5,800
Funds contributed for improvement of roads, bridges, and trails, Alaska.....	500				46	2	
Technical assistance, United States dollars advanced from foreign governments.....	150	3,362	3,500	3,500	5,335	4,895	3,500
National Bureau of Standards: Gifts and bequests.....	200	69	60	60	68	91	85
Weather Bureau: Special statistical work.....	600	32	45	45	40	42	44
Total, Department of Commerce.....		2,721,226	3,008,384	3,301,407	3,077,404	3,044,814	3,194,502
Department of Defense—Military:							
Advances for supplies and expenses, United Nations Korean Reconstruction Agency, Army.....	050				4		
General gift fund, Army.....	050	13	10	11	21	10	15
Kermit Roosevelt fund, Army.....	050	1	1	1	2	2	2
National Guard armory construction, State-contributed funds, Army.....	050				2		
Transportation, international refugee organization, Army.....	050	3					
General gift fund, Navy.....	050		530	10	20	129	232
Naval reservation, Olongapo civic fund.....	050	385			434		
Office of Naval Records and history fund.....	050	24	23	23			
Ships' stores profits, Navy.....	050	6,355	4,000	4,000	7,631	4,000	4,000
United States Naval Academy general gift fund.....	050	21	10	3	3	22	3
United States Naval Academy museum fund.....	050	1	1	1		1	1
United States ship Arizona, memorial fund.....	050	246			6	240	
General gift fund, Air Force.....	050	7			9	9	7
Total, Department of Defense—Military.....		7,057	4,574	4,049	8,133	4,413	4,260
Department of Defense—Civil:							
Corps of Engineers—Civil:							
Advance fund.....	400				26	6	
Contributed fund.....	400	12,174	8,269	12,473	11,859	8,500	12,500
Advances and reimbursements.....	400				1		

TABLE 10—Continued
 TRUST RECEIPTS AND EXPENDITURES—Continued
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued
 [In thousands of dollars]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Department of Defense—Civil—Continued							
United States Soldiers' Home:							
Operation and maintenance and capital outlay.....	100				6,551	8,565	8,353
Proposed increase in transfer to "Limitation on operation and maintenance and capital outlay" due to pay increases.....						235	
Soldiers' Home permanent fund.....	100	10,048	9,658	9,359			
Payment of claims.....	100				13	13	13
Soldiers' Home revolving fund.....	100				-8	-5	-3
Proceeds of remittance to and exports from Ryukyu Islands.....	600	-221					
Total, Department of Defense—Civil.....		22,001	17,927	21,832	18,442	17,314	20,863
Department of Health, Education, and Welfare:							
Freedmen's Hospital:							
Conditional gift fund.....	200					2	
Unconditional gift fund.....	200	1			5	2	
Public Health Service:							
Patients' benefit fund.....	200	39	35	35	34	28	30
Conditional gift fund.....	200	41	50	25	101	61	30
Unconditional gift fund.....	200	29	20	21	19	4	5
Special statistical work.....	200	10	76	10		74	19
Contributions, Indian health facilities.....	200		405	405		348	397
Saint Elizabeths Hospital:							
Patients' benefit fund.....	200	1	1	1	1	1	1
Conditional gift fund.....	200	10	9	9	8	9	9
Total, Department of Health, Education, and Welfare.....		130	596	506	167	529	491
Department of the Interior:							
Bonneville Power Administration: Construction of electric transmission lines and substations, contributions, Bonneville power project.....	400	121	711		862	600	566
Bureau of Land Management:							
Contributed funds.....	400	890	125	125	765	100	100
Expenses, public survey work.....	400	42	50	50	52	60	60
Trustee funds, Alaska townsites.....	400	24	25	25	9	10	10
Bureau of Indian Affairs:							
Indian moneys, proceeds of labor, agencies, schools, etc.....	600	2,948	2,076	2,033	2,689	1,925	1,925
Indian tribal funds.....	600	72,548	152,477	84,147	74,189	148,000	80,000
Bureau of Reclamation: Reclamation trust funds.....	400	526	489	341	483	500	300
Geological Survey: Advances, authorized services.....	400	1,883	2,000	2,000	2,017	2,000	2,000
Bureau of Mines: Contributed funds.....	400	899	1,200	525	1,169	1,100	600
National Park Service:							
Donations.....	400	231	200	700	629	790	1,010
Jefferson National Expansion Memorial, contributions.....	400	1,050	984	2,836	301	2,250	3,000
National park trust fund.....	400	4	5	5	2		
Preservation, birthplace of Abraham Lincoln.....	400	2	2	2	1	2	1
Fish and Wildlife Service:							
Bureau of Sport Fisheries and Wildlife: Contributed funds.....	400	83	101	88	64	137	88
Bureau of Commercial Fisheries:							
Contributed funds.....	400	865	847	847	858	900	885
Inspection and grading of fishery products.....	400	262	337	337	254	336	350
Total, Department of the Interior.....		82,378	161,629	94,061	84,345	158,710	90,895
Department of Justice:							
Alien property activities:							
Alien property fund, World War II.....	600				3,876	2,948	277
Alien property fund, Philippines, World War II.....	150				20	245	1,515
International Claims Settlement Act, title II fund.....	600				724	664	1,005
Federal Prison System: Commissary funds.....	200				26		
Total, Department of Justice.....					4,646	3,857	2,798
Department of Labor:							
Office of the Secretary: Advances and reimbursements.....	150				5	1	
Bureau of Employees' Compensation:							
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended.....	600	28	26	25	69	105	82
Relief and rehabilitation, Workmen's Compensation Act, within the District of Columbia.....	600	8	8	8	6	6	6
Advances and reimbursements.....	600				1	-2	1
Bureau of Labor Statistics: Special statistical work.....	200	33	35		30	44	9
Bureau of Employment Security: Salaries and expenses.....	200	-1					
Total, Department of Labor.....		67	69	33	111	154	98

TABLE 10—Continued
 TRUST RECEIPTS AND EXPENDITURES—Continued
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Department of State:							
Administration of foreign affairs:							
Foreign Service retirement and disability fund: General fund.....	200	6,015	8,998	9,081	3,331	4,465	5,485
Foreign Service Institute unconditional gift fund.....	150						2
Indemnification funds, foreign governments.....	150		180			180	
International organizations and conferences: Gifts and bequests, National Commission on Educational, Scientific, and Cultural Cooperation.....	150	20	15	10	19	16	11
Educational exchange:							
Education of Iranian students in the United States.....	150					2	3
United States dollars advanced from foreign governments.....	150	365	100	100	379	115	120
Total, Department of State.....		6,400	9,293	9,191	3,730	4,778	5,621
Treasury Department:							
Office of the Secretary:							
Federal disability insurance trust fund.....	200	1,071,294	1,081,448	1,136,047	570,700	762,626	992,373
Federal old-age and survivors insurance trust fund:							
Existing legislation.....	200	10,439,403	11,788,027	12,280,271	11,152,102	11,821,916	12,681,401
Proposed increase in transfer to "Salaries and expenses, Bureau of Old-Age and Survivors Insurance," due to pay increases.....	200					7,083	139
Other proposed increases in transfers under existing legislation.....	200					15,724	2,154
Pershing Hall memorial fund.....	600	7	7	7	7	7	7
Unemployment trust fund:							
Existing legislation.....	200	2,703,295	3,562,800	3,614,100	2,736,441	3,605,224	3,761,300
Proposed for later transmission:							
Under existing legislation.....	200					552,433	
Under proposed legislation.....	200					16,469	18,000
Bureau of Accounts:							
Bulgarian claims fund.....	600	301	50		2,063	369	42
Czechoslovakian claims fund.....	600	8,541				1,295	932
Hungarian claims fund.....	600	541	100	1,400	1,127	16	250
Italian claims fund.....	600				3,213	10	
Polish claims fund.....	600		2,000	2,000			1,000
Rumanian claims fund.....	600	373	500	600	19,157	518	1,050
Soviet claims fund.....	600				6,721		
Yugoslav claims fund.....	600				16	370	
Losses in melting gold.....	600	4	5	5		1	1
National defense conditional gift fund.....	050	3			11		
Payment of pre-1934 bonds of the Government of the Philippines.....	600	100	43	40	3,306	288	32
Payment of unclaimed moneys.....	600	200	200	200	59	60	60
Unclaimed moneys of individuals whose whereabouts are known.....	600	25					
Bureau of Customs:							
Refunds, transfers, and expenses of operation, Puerto Rico.....	600	10,169	10,742	11,076	9,921	10,730	11,060
Refunds, transfers, and expenses of operation, Virgin Islands.....	600	697	792	893	652	790	890
Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods.....	600	1,501	325	325	1,526	325	325
Internal Revenue Service: Expenses, Treasury Department, enforce- ment title III, National Prohibition Act, as amended, Puerto Rico and Virgin Islands.....	600				30		
Coast Guard: General gift fund.....	500	9	7	5	8	10	10
Total, Treasury Department.....		14,236,462	16,447,046	17,046,969	14,507,058	16,796,264	17,471,026
District of Columbia:							
Revenue.....	600	201,588	236,070	224,720			
Payment from general fund:							
Federal payment.....	600	27,218	27,533	38,753	266,894	333,703	360,879
Proposed for later transmission under existing legislation.....	600		6,000				
Contributions and loans for capital outlay.....	600	900	14,314	27,260			
Other loans and grants.....	600	25,924	40,140	41,174			
Total, District of Columbia.....		255,630	324,057	331,907	266,894	333,703	360,879
Deposit funds:							
Legislative branch.....					-47	-50	-50
The judiciary.....					-43	20	20
Executive Office of the President.....					-58	179	2
Funds appropriated to the President.....					-421	-413	-454
Independent offices:							
Atomic Energy Commission.....					-63		
Farm Credit Administration.....					-6,036	-6,000	-6,000
Federal Aviation Agency.....					-1,467	-1,500	-1,000
Federal Home Loan Bank Board.....					272	107	200
National Aeronautics and Space Administration.....					93	-200	-250
Veterans Administration.....					470	-2,000	-2,000
Other.....					323	605	-207

TABLE 10—Continued
TRUST RECEIPTS AND EXPENDITURES—Continued
 BY ORGANIZATION UNIT AND ACCOUNT TITLE—Continued

[In thousands of dollars]

Organization unit and account title	Functional code	RECEIPTS			EXPENDITURES		
		1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Deposit funds—Continued							
General Services Administration.....					—324	75	—200
Housing and Home Finance Agency.....					—22		
Department of Agriculture.....					3,455	720	720
Department of Commerce.....					—6,637	—200	
Department of Defense—Military.....					45,242	35,738	24,124
Department of Defense—Civil.....					—1,883	—2,620	—1,735
Department of Health, Education, and Welfare.....					174	—1,872	—576
Department of the Interior.....					—164,265	76,000	7,000
Department of Justice.....					—551	—498	—474
Department of Labor.....					—210	—75	—24
Post Office Department.....					—765	—646	—545
Department of State.....					2,660	—2,330	250
Treasury Department.....					24,781	25,000	25,000
District of Columbia.....					538	28	—15
Total, trust fund receipts and expenditures.....		21,442,389	24,238,530	25,189,125	21,798,678	24,101,703	25,154,576
Deduct trust fund expenditures.....		21,798,678	24,101,703	25,154,576			
Net accumulation in trust funds.....		—356,289	136,827	34,549			
Net increase or decrease (—) in cash balances due to trust fund debt and investment transactions (from special analysis F).....		444,213	—297,827	—15,692			
Increase or decrease (—) in cash balances resulting from trust fund operations.....		87,924	—161,000	18,857			
RECAPITULATION							
Trust funds:							
Existing legislation.....		21,442,389	24,232,530	25,247,125	21,903,463	23,389,401	25,055,987
Proposed for later transmission:							
Under existing legislation:							
Pay increases.....						7,608	149
Other.....			6,000			568,157	2,154
Under proposed legislation.....				—58,000		16,469	52,500
Deposit funds, net:							
Purchase of U.S. securities (quasi-governmental enterprises).....					236,149		
Sales and redemptions of obligations in the market (quasi-governmental enterprises).....					—722,992	120,068	43,786
Other.....					382,058		
Total, trust fund receipts and expenditures.....		21,442,389	24,238,530	25,189,125	21,798,678	24,101,703	25,154,576

SUMMARY OF MAJOR TRUST FUND BALANCES AVAILABLE AT START OF YEAR

[In thousands of dollars. Including U.S. securities]

	1960	1961	1962	1963
Federal disability insurance trust fund.....	1,666,621	2,167,214	2,486,036	2,629,710
Federal employees retirement funds.....	9,243,059	10,113,389	11,053,334	11,919,131
Federal old-age and survivors insurance trust fund.....	21,541,424	20,828,725	20,772,029	20,386,606
Highway trust fund.....	523,657	119,221	108,258	240,758
Railroad retirement account.....	3,648,925	3,916,347	3,942,647	3,986,847
Secondary market operations fund.....	52,616	59,030	54,030	54,030
Unemployment trust fund.....	6,716,153	6,683,008	6,071,682	5,906,482
Veterans life insurance funds.....	6,884,571	6,923,080	6,997,960	7,102,835
Total.....	50,277,026	50,810,014	51,485,976	52,226,399

EXPENDITURES AND APPLICABLE RECEIPTS OF TRUST REVOLVING FUNDS

[In thousands of dollars]

Organization unit and account title	Functional code	GROSS EXPENDITURES (funds applied)			RECEIPTS FROM OPERATIONS (funds provided)			NET TRUST EXPENDITURES		
		1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
Independent offices:										
Civil Service Commission:										
Employees health benefits fund.....	200	692	297,717	307,271	692	318,397	318,380	-----	-20,680	-11,109
Employees life insurance fund.....	200	90,457	92,451	90,506	134,502	142,777	143,010	-44,045	-50,326	-52,504
Retired employees health benefits fund.....	200	-----	306	31,086	-----	306	33,196	-----	-----	-2,110
Federal Communications Commission: International telecommunications settlements.....	500	214	220	220	224	225	220	-10	-5	-----
National Capital Housing Authority: Operation and maintenance, properties aided by Public Housing Administration.....	500	53,464	13,534	18,620	50,884	12,984	19,020	2,580	550	-400
General Services Administration:										
Records activities: National Archives trust fund.....	600	175	276	300	214	300	330	-39	-24	-30
Housing and Home Finance Agency:										
Federal National Mortgage Association: Secondary market operations fund.....	500	1,997,929	1,329,030	1,862,605	1,009,927	847,293	1,142,605	988,003	481,738	720,000
Department of Agriculture:										
Farmers Home Administration: State rural rehabilitation funds.....	350	8,855	4,954	4,312	6,594	5,517	4,340	2,261	-563	-28
Department of Defense—Civil:										
United States Soldiers' Home: United States Soldiers' Home revolving fund.....	100	107	115	127	115	120	130	-8	-5	-3
Department of Justice:										
Legal activities and general administration: Alien property activities:										
Alien property fund, World War II.....	600	16,941	9,004	5,182	13,065	6,056	4,905	3,876	2,948	277
Alien property fund, Philippines, World War II.....	150	635	1,021	1,530	614	776	15	20	245	1,515
International Claims Settlement Act, title II fund.....	600	906	766	1,005	182	102	-----	724	664	1,005
Federal Prison System: Commissary funds, Federal prisons.....	200	2,057	2,100	2,165	2,031	2,100	2,165	26	-----	-----
Total, trust revolving funds.....		2,172,432	1,751,494	2,324,929	1,219,044	1,336,953	1,668,316	953,388	414,541	656,613

TRUST AND DEPOSIT FUND EXPENDITURES BY MAJOR FUNCTION

ACTUAL THROUGH 1960

[In millions of dollars]

	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
Major national security.....	34	144	126	146	164	143	93	344	229	256	400	373
International affairs and finance.....	-6	97	9	3	7	4	5	15	12	11	11	12
Veterans services and benefits.....	695	1,095	669	779	628	606	608	671	651	673	675	678
Labor and welfare.....	3,058	3,816	4,594	6,079	7,476	8,067	9,647	12,854	14,392	16,450	18,817	19,615
Agriculture and agricultural resources.....	12	17	22	11	22	29	148	244	83	21	20	21
Natural resources.....	15	15	15	16	20	23	33	32	35	37	38	43
Commerce, housing, and space technology.....	-23	-3	1	(*)	-86	118	1,934	1,713	2,842	4,057	3,516	3,903
General government.....	222	208	228	286	258	216	268	293	360	397	505	466
Interest.....	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)
Adjustment to daily Treasury statement basis.....	190	88	95	-----	-----	-----	-----	-----	-----	-----	-----	-----
Deposit funds, net ¹	-544	-160	-471	-115	57	229	225	-97	-8	-105	120	44
Total.....	3,654	5,317	5,288	7,204	8,546	9,436	12,961	16,069	18,597	21,799	24,102	25,155

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.

LEGISLATIVE BRANCH

LIBRARY OF CONGRESS

LIBRARY OF CONGRESS GIFT AND TRUST FUND INCOME ACCOUNTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Acquisition of library materials.....	33	32	35
2. Reader and reference service.....	933	808	810
3. Organization of the collections.....	244	293	300
4. Information service on copyright materials.....	2	2	-----
Total obligations.....	1,212	1,135	1,145
Financing:			
Unobligated balance brought forward.....	913	894	941
Receipts:			
Library of Congress gift fund.....	332	310	310
Income from investment account.....	17	17	17
Interest on bequest of Gertrude M. Hubbard.....	1	1	1
Interest on permanent loan.....	178	179	179
Service fees.....	664	675	675
Cataloging project, Copyright Office.....	2	-----	-----
Unobligated balance carried forward.....	-894	-941	-978
Total financing.....	1,212	1,135	1,145

This schedule covers (a) funds received as gifts for immediate expenditure and receipts from the sale of recordings and photoduplication materials financed from capital originally received as gifts, (b) income from investments held by the Library of Congress Trust Fund Board, and (c) 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 1960, 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 1960 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 1960, the preparation of the 17th edition of the Dewey decimal classification was continued, experiments were completed in cataloging materials prior to publication to permit inclusion of the entry in the publication, and work was begun on a Union List of Manuscripts and on the preparation of a third edition of the Union List of Serials.

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 1960 and estimated for 1961 and 1962 are as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Library of Congress gift fund.....	441	325	330
Service fees, Library of Congress.....	591	605	614
Cataloging project, Copyright Office, Library of Congress.....	3	4	-----

	1960 actual	1961 estimate	1962 estimate
Library of Congress trust fund, income from investment account.....	22	25	20
Payment of interest on permanent loan account, Library of Congress.....	155	175	180
Payment of interest on bequest of Gertrude M. Hubbard, Library of Congress.....	1	1	1
Total obligations.....	1,212	1,135	1,145

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	715	644	650
Other personnel compensation.....	46	40	40
Total personnel compensation.....	761	684	690
12 Personnel benefits.....			
Travel and transportation of persons.....	44	40	40
21 Rent, communications, and utilities.....	18	15	16
23 Printing and reproduction.....	12	13	13
24 Other services.....	22	35	35
25 Supplies and materials.....	107	114	114
26 Equipment.....	103	115	115
31 Grants subsidies, and contributions.....	100	75	75
41 Refunds.....	16	14	17
44 Total obligations.....	29	30	30
Total obligations.....	1,212	1,135	1,145

Personnel Summary

Number of employees at end of year.....	149	135	135
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LIBRARY OF CONGRESS TRUST FUND PRINCIPAL ACCOUNTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward:			
Cash.....	4,467	4,483	4,483
U.S. securities (par).....	16	-----	-----
Unobligated balance carried forward: Cash.....	-4,483	-4,483	-4,483
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 semi-annually, is available to the Librarian for the purposes specified in each case.

As of June 30, 1960, 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 (in thousands of dollars):

Music activities.....	2,266
Fine arts.....	397
American history.....	307
Hispanic activities.....	261
Poetry and literature.....	644
Miscellaneous purposes.....	588
Total principal.....	4,463

The additional principal sum of \$20 thousand, 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Annuities.....	335	360	370
2. Refunds.....	13		
3. Death claims.....	10	15	15
Total obligations.....	358	375	385
Financing:			
Unobligated balance brought forward:			
Cash.....	61	6	15
U.S. securities (par).....	1,104	1,346	1,530
Receipts:			
Deductions from salaries.....	241	247	247
Agency contributions.....	241	247	247
Service credit payments.....	21	21	21
Interest and profits on investments.....	38	48	60
Gain from premium or discount on investments.....	5	5	5
Unobligated balance carried forward:			
Cash.....	-6	-15	-15
U.S. securities (par).....	-1,346	-1,530	-1,725
Total financing.....	358	375	385

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 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, 1960, there were 350 judges participating in the system as compared with only 338 as of June 30, 1959. The increase is due primarily to a reduction in the number of judgeship vacancies from 24 at the beginning of the year to 13 at the end of the year.

There were 129 survivor annuitants on the roll as of June 30, 1960, as compared with 130 at the close of the 2 previous years. Although the number of annuitants on the rolls has remained at approximately the same level during the past 2 years, the average annuity during this same period has increased. It is expected the average annuity will continue to increase for the reason that future awards to annuitants will be computed on the basis of a higher 5-year average annual salary of judges, whereas, the present roll of survivor annuitants reflects the reduced annuities granted to existing widows at the beginning of the system.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
42 Insurance claims and indemnities.....	345	375	385
44 Refunds.....	13		
Total obligations.....	358	375	385

FUNDS APPROPRIATED TO THE PRESIDENT
MUTUAL SECURITY—ECONOMIC AND CONTINGENCIES

MUTUAL SECURITY TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Advances, Mutual Security Act.....	280,659	434,400	411,100
2. Philippine assistance.....		21	
3. Technical assistance, U.S. dollars advanced from foreign governments.....	338	500	600
Total obligations.....	280,997	434,921	411,700
Financing:			
Unobligated balance brought forward:			
Cash.....	183,287	103,122	95,465
Obligational authority granted in advance of receipts (68 Stat. 836).....	256,127	534,935	494,271
Recovery of prior year obligations.....	392		
Receipts:			
Advances, Mutual Security Act.....	197,147	416,900	426,100
Technical assistance, U.S. dollars advanced from foreign governments.....	733	700	700
Obligational authority granted in advance of receipts (68 Stat. 836).....	408,533	269,200	225,700
Applied to prior obligational authority.....	-127,164	-300,200	-303,400
Unobligated balance carried forward:			
Cash.....	-103,122	-95,465	-120,565
Obligational authority granted in advance of receipts (68 Stat. 836).....	-534,935	-494,271	-406,571
Total financing.....	280,997	434,921	411,700

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. *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)).

3. *Technical assistance, U.S. 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 (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
21 Travel and transportation of persons.....	65	105	126
22 Transportation of things.....	5	37	43
26 Supplies and materials.....	84	103	124
31 Equipment.....	137	226	251
41 Grants, subsidies, and contributions.....	47	50	56
Total, International Cooperation Administration.....	338	521	600
DEPARTMENT OF DEFENSE—MILITARY			
22 Transportation of things.....	1,075	2,250	1,720
25 Other services.....	28,682	23,710	19,700
26 Supplies and materials.....	46,966	60,190	61,780
31 Equipment.....	201,427	344,250	323,900
44 Refunds.....	2,509	4,000	4,000
Total, Department of Defense—Military.....	280,659	434,400	411,100
Total obligations.....	280,997	434,921	411,700

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Advances of Foreign Currency for Technical Assistance, International Cooperation Administration

Program and Financing (in thousands of U.S. dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
Program by activities: Technical assistance operations (total obligations).....	18,363	23,667	23,818
Financing:			
Unobligated balance brought forward.....	1,675	3,753	2,369
Recovery of prior year obligations.....	12		
Authorization to expend foreign currency receipts: Permanent (22 U.S.C. 1651).....	20,429	22,283	22,478
Unobligated balance carried forward.....	-3,753	-2,369	-1,029
Total financing.....	18,363	23,667	23,818

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 (in thousands of U.S. dollar equivalents)

	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION			
11 Personnel compensation:			
Permanent positions.....	3,232	4,293	4,307
Other personnel compensation.....	207	192	193
Total personnel compensation.....	3,439	4,485	4,500
12 Personnel benefits.....	1,083	1,457	1,975
21 Travel and transportation of persons.....	3,322	4,412	4,271
22 Transportation of things.....	415	546	500
23 Rent, communications, and utilities.....	3,089	3,258	3,074
24 Printing and reproduction.....	138	207	207
25 Other services.....	4,382	6,121	6,665
26 Supplies and materials.....	841	1,221	1,139
31 Equipment.....	380	459	450
32 Lands and structures.....	370	151	
41 Grants, subsidies, and contributions.....	570	1,340	1,028

Object Classification (in thousands of U.S. dollar equivalents)—Continued			
	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL COOPERATION ADMINISTRATION—Continued			
42 Insurance claims and indemnities.....	11	10	9
Total, International Cooperation Administration.....	18,040	23,667	23,818
ALLOCATION TO NAVY			
12 Personnel benefits.....	159		
21 Travel and transportation of persons.....	164		
Total, Navy.....	323		
Total obligations.....	18,363	23,667	23,818

Personnel Summary

INTERNATIONAL COOPERATION ADMINISTRATION			
Total number of permanent positions.....	4,128	4,145	4,200
Full-time equivalent of other positions.....	28	124	124
Average number of all employees.....	3,115	3,900	3,900
Number of employees at end of year.....	3,935	4,000	4,025
Average salary of ungraded positions.....	\$1,104	\$1,150	\$1,153

Analysis of Expenditures (in thousands of U.S. dollar equivalents)

Obligated balance brought forward.....	2,162	3,739	4,106
Obligations incurred during year, net.....	18,351	23,667	23,818
Obligated balance carried forward.....	-3,739	-4,106	-3,924
Expenditures.....	16,774	23,300	24,000

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM

PRESIDENT'S SPECIAL INTERNATIONAL PROGRAM, CONTRIBUTIONS

Note.—This trust fund has been transferred to and consolidated with "United States Information Agency trust funds," p. 940.

INDEPENDENT OFFICES

AMERICAN BATTLE MONUMENTS COMMISSION

CONTRIBUTED FLOWER FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Purchase of flowers (total obligations) (object class 26).....	2	2	2
Financing:			
Unobligated balance brought forward.....	1	1	1
Receipts.....	2	2	2
Unobligated balance carried forward.....	-1	-1	-1
Total financing.....	2	2	2

This fund consists of moneys donated by American citizens to provide floral decorations for graves in cemeteries operated by the American Battle Monuments Commission. The donor is advised when the flowers have been placed (Comp. Gen. Dec. A56102, Nov. 4, 1935).

INDEPENDENT OFFICES—Continued

CIVIL SERVICE COMMISSION

CIVIL SERVICE RETIREMENT AND DISABILITY FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Annuities.....	772,573	876,226	972,861
2. Refunds and death claims.....	125,556	123,774	123,774
Total program costs—obligations.....	898,129	1,000,000	1,096,636
Financing:			
Unobligated balance brought forward:			
Cash.....	32,096	26,320	30,317
U.S. securities (par).....	9,122,980	9,991,227	10,916,227
Receipts:			
Deductions from employees' salaries.....	749,514	796,250	796,250
Payments from other funds: Employing agency contribution.....	749,499	796,250	796,250
Federal contribution.....		46,329	44,637
Voluntary contributions, donations, service credit payments, etc.....	10,682	15,758	15,758
Interest and profits on investments.....	250,679	274,410	297,888
Gain from premium or discount on investments.....	226		
Unobligated balance carried forward:			
Cash.....	-26,320	-30,317	-35,544
U.S. securities (par).....	-9,991,227	-10,916,227	-11,765,148
Total financing.....	898,129	1,000,000	1,096,636

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, 1962, there will be 607,345 persons on the annuity roll, compared with 514,918 as of June 30, 1960, and 558,795 as of June 30, 1961.

The status of the fund is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
U.S. securities brought forward (par).....	9,122,980	9,991,227	10,916,227
Cash (unexpended balance).....	93,382	92,781	103,193
Balance of fund brought forward.....	9,216,362	10,084,008	11,019,420
Cash income during year.....	1,760,374	1,928,997	1,950,783
Cash outgo during year:			
Payment of claims.....	767,031	869,812	964,893
Refunds.....	125,923	123,773	123,689
Gain from discount on investments (-).....	-226		
Total annual outgo.....	892,728	993,585	1,088,583
U.S. securities carried forward (par).....	9,991,227	10,916,227	11,765,148
Cash (unexpended balance).....	92,781	103,193	116,473
Balance of fund carried forward.....	10,084,008	11,019,420	11,881,621

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
42 Insurance claims and indemnities.....	772,573	876,226	972,861
44 Refunds.....	125,556	123,774	123,774
Total obligations.....	898,129	1,000,000	1,096,636

EMPLOYEES HEALTH BENEFITS FUND

This fund finances the payment of subscription charges to approved carriers of the costs of health benefits protection as provided by the Federal Employees Health Benefits Act of 1959 (73 Stat. 713), together with expenses incurred by the Civil Service Commission in administration of the act.

Budget program.—The act provides that beginning in 1962 the Employees health benefits fund will be available to pay for administrative expenses incurred by the Commission, within such limitation as may be specified by the Congress. It is estimated that there will be approximately 1.8 million employee participants in this country and overseas, or approximately 90% of those eligible. In addition, approximately 116,000 eligible employee and survivor annuitants will be participating by the end of 1962. It is estimated that during 1962, approximately \$317.3 million will be deposited in the Employees health benefits fund. Of that amount, covered active employees will pay \$187 million, participating annuitants \$9.8 million, and the Government \$120.5 million. On the basis of these forecasts, \$305.6 million will be paid from the fund to approved health benefit plans. Amounts not to exceed 3% of the total contributions toward each plan will be set aside in the fund to provide a contingency reserve which will be used to defray increases in future rates, or to reduce contributions, or to provide increased benefits. An amount not to exceed 1% of all contributions will be set aside in the fund for any expenses incurred by the Civil Service Commission in the administration of this act.

Financing.—The fund will be financed by contributions from participants and the Government. In 1960 and 1961 administrative expenses were financed by loans from the Employees life insurance fund, which are to be repaid by the end of 1961.

Operating results.—Earnings will be retained to meet the cost of administration and future benefits.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Payment on loans to Employees life insurance fund.....		1,554	
Purchase of equipment.....	33	6	6
Expense:			
Subscription charges.....		295,200	305,600
Administration.....	655	915	1,152
Interest due Employees life insurance fund.....	4	42	
Increase in selected working capital.....			513
Total gross expenditures.....	692	297,717	307,271
Receipts from operations (funds provided):			
Realization of assets: Loans from Employees life insurance fund.....	568	986	
Revenue:			
Employees' salary withholdings and agency contributions.....		302,000	302,000
Government's contribution for annuitants.....		1,950	6,000
Annuity withholdings.....		3,100	9,800
Interest revenue.....		180	580
Decrease in selected working capital.....	124	10,181	
Total receipts from operations.....	692	318,397	318,380
Trust expenditures.....		-20,680	-11,109

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Revenue.....		307,230	318,380
Expense.....	660	296,160	306,756
Net income or loss (—) for the year.....	—660	11,070	11,624
Retained earnings or deficit (—), beginning of year.....		—660	10,409
Retained earnings or deficit (—), end of year.....	—660	10,409	22,033

Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury.....		11,680	11,789
U.S. securities (par).....		9,000	20,000
Accounts receivable, net.....		11,800	11,800
Supplies.....	45	20	10
Equipment, net.....	31	34	36
Total assets.....	76	32,534	43,635
Liabilities:			
Current.....	169	21,575	21,602
Amount due Employees life insurance fund for administrative expenses.....	568		
Deferred income (Government contribution for annuitants).....		550	
Total liabilities.....	736	22,125	21,602
Net trust investment:			
Retained earnings or deficit (—).....	—660	10,409	22,033

LIMITATION ON ADMINISTRATIVE EXPENSES, EMPLOYEES HEALTH BENEFITS FUND

Note.—The supporting detail of the above item is shown in the Independent Offices chapter in part II, p. 132.

EMPLOYEES LIFE INSURANCE FUND

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. In 1960, 1961, and 1962, loans are made from this fund to the health benefits funds for administrative expenses. These loans are to be repaid with interest in 1961 and 1963.

Budget program.—Through June 30, 1960, a total of \$417.6 million was withheld from the salaries of covered employees and \$208.8 million was contributed by the Government to the fund. It is estimated that, in 1962, a sum of \$86 million will be paid into the fund by employees and \$43 million by the Government. As of June 30, 1960, a total of \$363 million had been paid by the insurer in benefits. An estimated \$90 million in benefits will be paid in 1962.

Most of the difference between receipts and benefit payments is held by the insurer as a contingency reserve. Upon completion of the annual policy accounting at the end of each policy year this reserve is reduced to \$100 million by refunding the excess for redeposit in the Treasury of the United States for credit to the insurance fund. As of June 30, 1960, such refunds amounted to \$112.2 million which represented the accumulated excess computed through the fifth policy year ended November 28,

1959. The estimated returns of \$41 million in 1961 and \$42 million in 1962 netted against premium payments result in 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 the three most recent policy years, 1957 through 1959 and the total at the end of the fifth policy year follows:

STATEMENT OF ANNUAL ACCOUNTING AND CONTINGENCY RESERVE

[By policy year. In thousands of dollars]

	3d year, Nov. 18, 1956- Nov. 16, 1957	4th year, Nov. 17, 1957- Nov. 29, 1958	5th year, Nov. 30, 1958- Nov. 28, 1959	Total, end of 5th policy year
1. Premiums accrued.....	104,250	112,100	116,500	544,200
2. Interest added to contingency reserve.....	2,748	3,359	3,541	12,063
3. Mortality and other claim charges incurred:				
Life insurance.....	57,721	67,687	71,984	303,029
Accidental death and dismemberment insurance.....	3,860	4,791	4,216	22,166
Conversion charges.....	679	719	558	3,412
Total.....	62,260	73,197	76,759	328,606
4. Expense and risk charges incurred:				
Premium and other taxes....	1,297	1,750	1,782	9,295
Office of Federal Employees Group Life Insurance.....	258	285	295	1,339
Other expense and risk charges.....	938	1,009	932	4,815
Total.....	2,493	3,044	3,008	15,449
5. Total addition to contingency reserve.....	42,245	39,218	40,274	212,208
6. Contingency reserve at end of year.....	132,716	139,218	140,274	-----
7. Less premiums returned to Employees life insurance fund....	32,716	39,218	40,274	112,208
8. Contingency reserve held by insurer at end of year.....	100,000	100,000	100,000	-----

Financing.—Premium costs are met by withholding from the salaries of employees 25 cents bi-weekly for each \$1 thousand 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.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets:			
Loans to employees health benefits fund.....	568	986	-----
Loans to retired employees health benefits fund.....		305	315
Purchase of equipment.....	6		-----
Expense:			
Gross premium payments.....	127,620	132,280	132,180
Less return of premiums.....	41,791	42,500	43,500
Net premium payments.....	85,829	89,780	88,680
Administration:			
(a) Basic program.....	81	99	104
(b) Beneficial association program.....	152	161	158
Other expense.....	4		-----
Increases in selected working capital.....	3,816	1,119	1,249
Total gross expenditures.....	90,457	92,451	90,506

INDEPENDENT OFFICES—Continued**CIVIL SERVICE COMMISSION—Continued****EMPLOYEES LIFE INSURANCE FUND—Continued****Sources and Application of Funds (Operations) (in thousands of dollars)—Con.**

	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided):			
Realization of assets: Repayment of loans by employees health benefits fund.....		1,554	
Revenue:			
Employees' salary withholdings and agency contributions.....	123,914	129,000	129,000
Beneficial association premium collections.....	3,650	3,296	3,000
Interest revenue:			
From U.S. securities.....	4,837	6,778	8,892
From loans to—			
Employees health benefits fund.....	4	42	
Retired employees health benefits fund.....		6	18
Other revenue.....	2,098	2,100	2,100
Total receipts from operations.....	134,502	142,777	143,010
Trust expenditures.....	-44,045	-50,326	-52,504

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	134,502	141,223	143,010
Expense.....	86,069	90,043	88,944
Net income for the year.....	48,433	51,180	54,066
Retained earnings, beginning of year.....	102,979	151,413	202,593
Retained earnings, end of year.....	151,413	202,593	256,659

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,602	4,028	3,536
U.S. securities (par).....	149,604	199,504	252,500
Accounts receivable, net.....	12,349	13,899	15,149
Loans to—			
Employees health benefits fund.....	568		
Retired employees health benefits fund.....		305	620
Supplies.....	3	3	3
Equipment, net.....	18	15	13
Total assets.....	166,143	217,754	271,821
Liabilities:			
Current.....	14,730	15,162	15,162
Net trust investment:			
Retained earnings.....	151,413	202,593	256,659

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. 133.

RETIRED EMPLOYEES HEALTH BENEFITS FUND

This fund established in accordance with the Retired Federal Employees Health Benefits Act of 1960 (74 Stat. 849) finances (1) the payment of subscription charges to an approved carrier for those qualified employees and survivors who enroll in the uniform governmentwide health benefits plan; (2) the contribution to qualified employees and survivors who retain or purchase non-government approved health insurance plans; and (3) the payment of expenses incurred by the Civil Service Commission in administration of the act.

Budget program.—Expenses necessary for administering the health benefits program are authorized commencing in 1961; however, the provisions relating to health benefits are effective on July 1, 1961. The act authorized the Commission to use money from the Employees life insurance fund, without regard to limitation on expenditures from that fund, through June 30, 1962, for administrative expenses in carrying out the provisions of the act. It is estimated that there will be approximately 380,000 retired Federal employees and survivors who will elect to participate in the program, half of whom will enroll in the governmentwide plan. During 1962, at least \$31,150 thousand will be deposited in the fund. Participating retired employees will pay at least \$10,250 thousand and the Government will pay \$20,900 thousand. It is estimated that at least \$20,500 thousand in subscription charges will be paid to the carrier of the governmentwide plan. An amount up to 2% of the Government's contribution toward benefits is provided for administrative expenses.

Financing.—The fund will be financed by contributions from those participants enrolled in the governmentwide plan and by Government contributions. During 1961, it is estimated that \$305 thousand will be loaned by the Employees life insurance fund for administrative expenses, and \$315 thousand in 1962.

Operating results.—Expenses for administering this program are being financed in 1961 by the above-mentioned loan, since the Government contribution is limited to 2% and begins in 1962, the projected deficit as of June 30, 1962, amounts to \$224 thousand. It is anticipated that this fund will carry a deficit through 1963.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Purchase of equipment.....		15	5
Expense:			
Subscription charges.....			20,500
Payment to retired employees for non-Government plan.....			10,250
Administration.....		285	312
Interest due Employees life insurance fund.....		6	18
Total gross expenditures.....		306	31,086
Receipts from operations (funds provided):			
Realization of assets—loan from Employees life insurance fund.....		305	315
Revenue:			
Retired employees' withholdings.....			10,250
Government contribution for retired employees benefits.....			20,500
Government contribution for administrative expenses.....			400
Decrease in selected working capital.....		1	1,731
Total receipts from operations.....		306	33,196
Trust expenditures.....			-2,110

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....			31,150
Expense.....		292	31,082
Net income or loss (—) for the year.....		-292	68
Deficit (—), beginning of year.....			-292
Deficit (—), end of year.....		-292	-224

Financial Condition (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....			2,110
Accounts receivable, net.....			855
Supplies.....		5	3
Equipment.....		14	18
Total assets.....		19	2,986
Liabilities:			
Current.....		6	2,590
Amount due Employees life insurance fund for administrative expenses.....		305	620
Total liabilities.....		311	3,210
Net trust investment:			
Deficit (-).....		-292	-224

FEDERAL AVIATION AGENCY

GIFTS AND DONATIONS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Installation, operation, and maintenance of air navigation facilities.....	69	103	
2. Returned to donor.....	7		
3. Aeronautical training of foreign students.....	9	5	
Total obligations.....	85	108	
Financing:			
Unobligated balance brought forward.....	158	108	
Receipts.....	27		
Recovery of prior year obligations.....	8		
Unobligated balance carried forward.....	-108		
Total financing.....	85	108	

1. *Installation, operation, and maintenance of air navigation facilities.*—This fund includes advance payments from States, counties, and municipalities for installing and operating air navigation and related facilities required in the public interest (49 U.S.C. 452). In addition, funds from private sources for maintenance and operation of air navigation and related facilities are credited to this fund. These funds are expended through the pertinent appropriations. Amounts are not projected for 1962, as it is anticipated that these activities will be financed through reimbursement to the appropriations under which the activities are provided.

3. *Aeronautical training of foreign students.*—Advances from foreign governments are used in the training of students in aeronautical and related subjects (31 U.S.C. 725s) and (62 Stat. 452).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	16	11	
31 Equipment.....	53	92	
41 Grants, subsidies, and contributions.....	9	5	
44 Refunds.....	7		
Total obligations.....	85	108	

FEDERAL COMMUNICATIONS COMMISSION

INTERNATIONAL TELECOMMUNICATION SETTLEMENTS (TRUST
REVOLVING FUND)

This fund serves as a clearinghouse for payments by U.S. communications companies and other telecommunication users, including the Federal Government, to foreign governments for receiving and relaying radio-telephone and radiotelegraph messages. The charges of foreign governments against U.S. users are received by the Commission and billed to the users. The Commission then consolidates and disburses all telecommunication payments to a particular government.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Expense.....	214	220	220
Receipts from operations (funds provided):			
Revenue.....	214	220	220
Decrease in selected working capital.....	10	5	
Total receipts from operations.....	224	225	220
Trust expenditures.....	-10	-5	

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	214	220	220
Expense.....	214	220	220
Net income for the year.....			
Retained earnings, beginning and end of year.....	67	67	67

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	70	75	75
Accounts receivable, net.....	28	17	17
Total assets.....	98	92	92
Liabilities:			
Current.....	31	25	25
Net trust investment:			
Retained earnings.....	67	67	67

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
23 Rent, communications, and utilities.....	214	220	220

FOREIGN CLAIMS SETTLEMENT COMMISSION

WAR CLAIMS FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payment of World War II claims.....	47	50	40
2. Administrative expenses.....	50	40	40
Total obligations.....	97	90	80
Financing:			
Unobligated balance brought forward.....	576	480	391
Recovery of prior year obligations.....	2	1	1
Unobligated balance carried forward.....	-480	-391	-312
Total financing.....	97	90	80

INDEPENDENT OFFICES—Continued**FOREIGN CLAIMS SETTLEMENT COMMISSION—Con.****WAR CLAIMS FUND—Continued**

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 fund from which transfers are made to other accounts, and it includes all unobligated balances from these accounts.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services: Services of other agencies.....	50	40	40
41 Grants, subsidies, and contributions.....	47	50	40
Total obligations.....	97	90	80

GENERAL ACCOUNTING OFFICE**PROCEEDS FROM ESTATES OF AMERICAN CITIZENS WHO DIE ABROAD****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total costs—obligations) (object class 44).....	1	1	1
Financing:			
Unobligated balance brought forward.....	5	4	3
Receipts.....	1		
Unobligated balance carried forward.....	-4	-3	-3
Total financing.....	1	1	1

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 fund for the legal claimants (22 U.S.C. 1175).

HISTORICAL AND MEMORIAL COMMISSIONS**CORREGIDOR BATAAN MEMORIAL COMMISSION TRUST FUND**

The balances in this account are less than \$500 for 1960, 1961, and 1962, and no receipts are anticipated.

NATIONAL CAPITAL HOUSING AUTHORITY**OPERATION AND MAINTENANCE, PROPERTIES AIDED BY PUBLIC HOUSING ADMINISTRATION (TRUST REVOLVING FUND)**

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 1962 program consists of the operation of 7,907 dwelling units and the development of 1,412 additional units. Management and development operations are financed through rental income, 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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
To operations:			
Acquisition of assets: Land structures and equipment.....	5,043	4,530	8,500
Expense.....	4,775	5,300	5,413
Increase in selected working capital.....	1,194	738	
To non-Treasury financing:			
Retirement of temporary notes.....	34,850	1,080	2,400
Retirement of Public Housing Administration notes.....	5,879	137	500
Retirement of bonds.....	735	840	1,107
Increase on debt amortization funds.....	988	909	700
Total gross expenditures.....	53,464	13,534	18,620
Receipts from operations (funds provided):			
By operations:			
Revenue from operating properties.....	4,067	4,578	5,000
Public Housing Administration contribution.....	2,718	2,801	2,567
Other receipts.....	2		
Decrease in selected working capital.....			450
By non-Treasury financing:			
Public Housing Administration:			
Advance notes.....	5,798	300	
Permanent notes.....	219	200	
Sale of Housing Authority bonds.....	16,760	2,705	5,577
Sale of temporary notes.....	21,320	2,400	5,426
Total receipts from operations.....	50,884	12,984	19,020
Trust expenditures.....	2,580	550	-400

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Operations:			
Revenue.....	4,067	4,578	5,000
Expense.....	4,775	5,300	5,413
Net operating loss (-).....	-708	-722	-413
Nonoperating expense (net loss) (-).....	-7		
Net loss (-) for the year.....	-715	-722	-413
Analysis of deficit (-):			
Deficit (-), beginning of year.....	-1,563	-5,939	-6,661
Adjustment of prior year expense.....	-3,661		
Deficit (-), end of year.....	-5,939	-6,661	-7,074

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	998	900	800
U.S. securities (par).....	1,452	1,000	1,500
Accounts receivable, net.....	184	300	250
Debt amortization funds.....	2,891	3,800	4,500
Supplies, deferred charges, etc.....	235	300	400
Lands, structures, and equipment.....	76,971	81,500	90,000
Total assets.....	82,731	87,800	97,450
Liabilities:			
Current liabilities.....	2,057	1,500	2,000
Temporary notes payable.....	1,080	2,400	5,426
Housing Authority bonds payable.....	63,609	65,500	70,000
Total liabilities.....	66,746	69,400	77,426

Financial Condition (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Government investment:			
Interest-bearing capital:			
Series "B" Housing Authority bonds.....	3,156	3,130	3,100
Advance loan notes.....	137	300	-----
Permanent notes.....	-----	200	-----
Total interest-bearing capital.....	3,293	3,630	3,100
Non-interest-bearing capital:			
Federal project contribution.....	4,168	4,168	4,168
Cumulative Federal operating contribution.....	10,802	13,122	15,189
Cumulative local operating contribution.....	3,661	4,141	4,641
Total non-interest-bearing capital.....	18,631	21,431	23,998
Total Government investment.....	21,924	25,061	27,098
Trust investment:			
Deficit (—).....	—5,939	—6,661	—7,074
Net Government investment and trust deficit.....	15,985	18,400	20,024

NATIONAL CAPITAL PLANNING COMMISSION

CONTRIBUTED FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. George Washington Memorial Parkway, Va.....	359	336	200
2. George Washington Memorial Parkway, Md.....	39	150	-----
3. Park, parkway, and playground system in the District of Columbia.....	-----	106	-----
Total program costs.....	398	592	200
4. Relation of costs to obligations: Costs financed from obligations of other years, net (—).....	—73	—159	-----
Total obligations (object class 32).....	325	433	200
Financing:			
Receipts.....	325	433	200

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).

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$232 thousand; 1960, \$159 thousand.

NATIONAL SCIENCE FOUNDATION

DONATIONS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Executive direction and management (total obligations) (object class 25).....	1	1	1

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	6	7	8
Receipts.....	2	2	2
Unobligated balance carried forward.....	—7	—8	—9
Total financing.....	1	1	1

Donations received under authority of 42 U.S.C. 1870, may be used in furtherance of general purposes of the Foundation.

RAILROAD RETIREMENT BOARD

LIMITATION ON SALARIES AND EXPENSES

Note.—The supporting detail of the above item is shown in the Independent Offices chapter in pt. II, p. 189.

RAILROAD RETIREMENT ACCOUNT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Retirement and survivor benefit payments.....	923,666	963,982	1,008,000
2. Administrative expenses:			
Authorized.....	9,120	9,485	9,740
Proposed for later transmission for pay increases.....	-----	300	-----
3. Payments to "Federal disability insurance trust fund".....	26,831	1,000	-----
4. Loan to "Railroad unemployment insurance administration fund".....	183,730	135,000	110,000
Total obligations.....	1,143,347	1,109,767	1,127,740
Financing:			
Unobligated balance brought forward:			
Cash.....	3,960	-----	-----
U.S. securities (par).....	3,573,604	3,837,767	3,860,000
Recovery of prior year obligations.....	163	-----	-----
Receipts:			
Interest and profit on investments.....	109,955	117,000	120,000
Railroad retirement taxes.....	606,864	600,000	640,000
Repayment of loan from "Railroad unemployment insurance administration fund".....	85,231	90,000	95,000
Interest on loans to "Railroad unemployment insurance administration fund".....	900	3,000	3,000
Financial interchange with "Federal old-age and survivors insurance trust fund".....	600,437	322,000	318,000
Unobligated balance carried forward:			
U.S. securities (par).....	—3,837,767	—3,860,000	—3,906,260
Total financing.....	1,143,347	1,109,767	1,129,740

Under the railroad retirement system, workers and employers pay taxes on wages to finance benefits which will be payable when the worker retires or dies. These taxes are deposited in this trust fund and invested in Government securities bearing interest of at least 3%.

The status of the trust fund is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Unexpended balance brought forward..	3,648,925	3,916,347	3,942,647
Income during year.....	1,403,387	1,132,000	1,176,000

INDEPENDENT OFFICES—Continued
RAILROAD RETIREMENT BOARD—Continued

RAILROAD RETIREMENT ACCOUNT—Continued

	1960 actual	1961 estimate	1962 estimate
Cash outgo during year:			
Benefit payments and claims.....	916,388	960,000	1,008,000
Administrative expenses:			
Authorized.....	9,018	9,410	9,790
Proposed for later transmission for pay increases.....		290	10
Payments to "Federal disability insurance trust fund".....	26,831	1,000	-----
Loan to "Railroad unemployment insurance administration fund".....	183,730	135,000	110,000
Total annual outgo.....	<u>1,135,966</u>	<u>1,105,700</u>	<u>1,127,800</u>
Unexpended balance carried forward...	3,916,347	3,942,647	3,986,847

Income.—The income of the Railroad retirement account consists of taxes paid by railroad employers and employees; interest on investments; repayments on amounts loaned to the Railroad unemployment insurance administration fund; 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.*—Payment estimates reflect the continuing growth in the beneficiary rolls.

2. *Administrative expenses.*—Such expenses are subject to annual limitations in appropriation acts (see "Limitation on salaries and expenses," Railroad Retirement Board, in pt. II of the budget).

3. *Payment to "Federal disability insurance trust fund".*—Payments are made between the Railroad retirement 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. Under current conditions, the Railroad retirement account receives payments from the Federal old-age and survivors insurance trust fund and makes payments to the Federal disability trust fund (65 Stat. 687; 70 Stat. 837).

4. *Loan to "Railroad unemployment insurance administration fund".*—The Railroad Unemployment Insurance Act provides that when the balance in the Railroad unemployment insurance account is insufficient to pay benefits due under that act, necessary amounts are to be borrowed from the Railroad retirement account. When the balance in the Railroad unemployment insurance administration fund permits, borrowed amounts are to be repaid to the Railroad retirement account, with interest at 3% per annum.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
42 Pensions, annuities, and insurance claims...	923,666	963,982	1,008,000
Payment to "Federal disability insurance trust fund".....	26,831	1,000	-----
Loan to "Railroad unemployment insurance administration fund".....	183,730	135,000	110,000
Administrative expenses, "Limitation on salaries and expenses" (see account in pt. II)....	9,120	9,785	9,740
Total obligations.....	<u>1,143,347</u>	<u>1,109,767</u>	<u>1,127,740</u>

LIMITATION ON RAILROAD UNEMPLOYMENT INSURANCE ADMINISTRATION FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Maintenance of earnings accounts.....	358	332	303
2. Processing of unemployment insurance claims.....	5,711	5,475	4,939
3. Processing of sickness and maternity claims.....	1,962	2,292	2,375
4. Claimant placement services.....	370	676	679
5. Administration.....	699	685	696
Total program costs.....	<u>9,100</u>	<u>9,460</u>	<u>8,992</u>
6. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1	-----	-----
Total obligations.....	<u>9,101</u>	<u>9,460</u>	<u>8,992</u>
Financing:			
Unobligated balance brought forward.....	-5,189	-5,213	-4,713
Recovery of prior year obligations.....	-72	-----	-----
Unobligated balance carried forward.....	5,213	4,713	5,001
Limitation	<u>9,053</u>	<u>8,960</u>	<u>9,280</u>

The Board administers an unemployment and sickness insurance system and an employment service to find jobs for unemployed railroad workers. The administrative expenses are shown as a separate account in the Unemployment trust fund and are financed 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 to the Railroad unemployment insurance account in the Unemployment trust fund (45 U.S.C. 361).

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Permanent limitation (0.2% of taxable payroll).....	8,914	8,800	9,100
Interest on investments.....	139	160	180
Limitation	<u>9,053</u>	<u>8,960</u>	<u>9,280</u>

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 processed were 1,665 thousand in 1960 and are estimated to be 1,698 thousand in 1961 and 1,732 thousand in 1962.

2. *Processing of unemployment insurance claims.*—Workers' claims for unemployment compensation are filed locally and certified for payment through regional offices. Regular unemployment claims were 2,026 thousand in 1960 and are estimated at 2 million in 1961 and 1.5 million in 1962. In 1960 there also was processed a large one-time load created by the 1959 amendments, which increased benefits retroactively.

3. *Processing of sickness and maternity claims.*—These claims are filed by mail and certified for payment through the regional offices of the Board. Sickness claims were

880 thousand in 1960 and estimated to be at about the same level in 1961 and 1962.

4. *Claimant placement services.*—The Board conducts an employment service for unemployed benefit claimants. In 1960, manpower was diverted from this activity to meet a critical need in processing amendment workloads. In 1961 and 1962 this work is reverting to normal levels, with an expected increase in placements from 28 thousand in 1960, representing savings in benefit payments of \$1,900 thousand, to 45 thousand placements and \$3,500 thousand in savings in each of the years 1961 and 1962.

5. *Administration.*—The costs of administration are shared between this and the retirement program on a measured basis.

6. *Relation of costs to obligations.*—Relation is derived from year-end balances of selected resources as reflected in the following table (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	96	97	97	97
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	31	31	31	31
Total selected resources at end of year.....	127	128	128	128
Selected resources at start of year (—).....		—127	—128	—128
Obligations incurred for costs of other years, net....		1		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	5,315	5,743	5,696
Positions other than permanent.....	432	305	229
Other personnel compensation.....	465	383	215
Total personnel compensation.....	6,212	6,431	6,140
12 Personnel benefits.....	384	465	468
21 Travel and transportation of persons.....	260	286	287
22 Transportation of things.....	20	21	20
23 Rent, communications, and utilities.....	703	807	929
24 Printing and reproduction.....	38	36	33
25 Other services.....	1,360	1,290	999
26 Supplies and materials.....	106	105	98
31 Equipment.....	18	19	18
Total obligations.....	9,101	9,460	8,992

Personnel Summary

	1960	1961	1962
Total number of permanent positions.....	1,019	979	958
Full-time equivalent of other positions.....	124	70	56
Average number of all employees.....	1,067	1,006	959
Number of employees at end of year.....	1,013	1,000	970
Average GS grade.....	6.5	6.5	6.6
Average GS salary.....	\$5,465	\$5,984	\$6,067

SMITHSONIAN INSTITUTION

CANAL ZONE BIOLOGICAL AREA FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Maintenance and operation of facilities (total costs—obligations) (object class 25).....	21	20	20

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	16	14	13
Receipts.....	19	19	19
Unobligated balance carried forward.....	—14	—13	—12
Total financing.....	21	20	20

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).

UNITED STATES INFORMATION AGENCY

UNITED STATES INFORMATION AGENCY TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. U.S. dollars advanced from foreign governments.....	7	12	7
2. Contributions for trade fair and solo exhibits.....	73	100	200
3. Contributions for American National Exhibition in Moscow.....	182		
Total obligations.....	262	112	207
Financing:			
Unobligated balance brought forward.....	43	12	5
Receipts.....	231	105	207
Unobligated balance carried forward.....	—12	—5	—5
Total financing.....	262	112	207

1. *U.S. dollars advanced from foreign governments.*—These funds are advanced from foreign governments and or private organizations for purchase of films owned or controlled by the United States Information Agency. The Agency places orders with domestic film processing companies to make copies of such films, for which payment is made from this account.

2. *Contributions for trade fair and solo exhibits.*—This trust fund receives contributions from non-Federal sources, primarily business concerns, for use in connection with trade fair and solo exhibits, including the recent American National Exhibition at Moscow and the New Delhi World Agricultural Fair. These contributions are transferred periodically to the Special international program, reimbursing that program for expenses funded initially from appropriated moneys (70 Stat. 778).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	31	12	24
23 Rent, communications, and utilities.....	13	6	11
24 Printing and reproduction.....	2	1	2
25 Other services.....	167	77	132
26 Supplies and materials.....	47	15	37
31 Equipment.....	1		
44 Refunds.....	1	1	1
Total obligations.....	262	112	207

INDEPENDENT OFFICES—Continued

UNITED STATES INFORMATION AGENCY—Continued

INFORMATIONAL FOREIGN CURRENCY SCHEDULE

Foreign Currencies, Operating Expenses, United States Information Agency

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
U.S. overseas information programs (total obligations).....		860	1,513
Financing:			
Receipts.....		860	1,513

Foreign currencies for operating expenses of U.S. information programs overseas.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....		3	6
23 Rent, communications, and utilities.....		284	429
24 Printing and reproduction.....		7	13
25 Other services.....		507	965
26 Supplies and materials.....		59	100
Total obligations.....		860	1,513

Analysis of Expenditures

Obligations incurred.....		860	1,513
Expenditures.....		761	1,433

VETERANS ADMINISTRATION

ADJUSTED-SERVICE CERTIFICATE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of World War I adjusted-service certificates (total costs—obligations) (object class 42).....	293	225	180
Financing:			
Unobligated balance brought forward.....	3,492	3,199	2,974
Unobligated balance carried forward.....	-3,199	-2,974	-2,794
Total financing.....	293	225	180

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 in U.S. securities since January 1, 1957, and all future payments will be made from the principal. Only a few of the certificates remain unpaid (72 Stat. 1264).

GENERAL POST FUND, NATIONAL HOMES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Religious, recreational, and entertainment.....	1,796	1,783	1,675
2. Expenses on exchange of investments in U.S. securities.....	1		
Total obligations.....	1,797	1,783	1,675
Financing:			
Unobligated balance brought forward:			
Cash.....	1,478	1,357	1,250
U.S. securities (par).....	1,064	1,085	1,000
Receipts from—			
Donations:			
Cash.....	1,643	1,556	1,590
U.S. securities (par).....	21		
Interest on U.S. securities.....	33	35	35
Unobligated balance carried forward:			
Cash.....	-1,357	-1,250	-1,200
U.S. securities (par).....	-1,085	-1,000	-1,000
Total financing.....	1,797	1,783	1,675

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 from effects of such beneficiaries who die leaving no heirs or without having otherwise disposed of their estate. Such funds are used to promote the comfort and welfare of veterans at hospitals and homes where no general appropriation is available.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	14	14	14
23 Rent, communications, and utilities.....	19	19	19
25 Other services.....	59	60	60
26 Supplies and materials.....	1,144	1,122	1,122
31 Equipment.....	215	215	200
32 Lands and structures.....	320	318	225
33 Investments and loans.....	1		
44 Refunds.....	25	35	35
Total obligations.....	1,797	1,783	1,675

Personnel Summary

Average number of all employees.....	3	3	3
Number of employees at end of year.....	6	6	6

NATIONAL SERVICE LIFE INSURANCE FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Death claims.....	368,754	355,000	350,000
2. Disability claims.....	273	1,000	1,750

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
3. Cash surrenders and matured endowments.....	16,225	18,000	22,300
4. Dividends.....	240,708	238,000	240,000
5. Interest paid on dividend credits and deposits.....	4,641	5,080	5,451
6. Other expense.....	255	275	300
7. Premiums waived and liens written off.....	10,251	12,069	13,310
8. Increase in operating reserves.....	91,133	140,073	169,000
Total operating costs.....	732,241	769,488	802,111
9. Unfunded adjustments to operating costs:			
Premiums waived and liens and liens written off (—).....	—10,251	—12,060	—13,310
Increase (—) in operating reserves.....	—91,133	—140,073	—169,000
Total operating costs, funded.....	630,857	617,355	619,801
Capital outlay:			
10. Policy loans made.....	117,433	125,000	135,000
11. Policy liens established.....	344	460	500
Total capital outlay.....	117,778	125,460	135,500
Total program costs—obligations	748,635	742,815	755,301
Items not processed through Treasury (see contra entry below) (—).....	—135,938	—147,144	—145,005
Net program costs—obligations.....	612,697	595,671	610,296
Financing:			
Revenue and receipts:			
Premiums earned.....	478,855	516,760	541,354
Interest on investments.....	183,697	191,500	198,500
Payment from "Veterans insurance and indemnities".....	9,988	9,905	9,512
Amounts left under optional income settlements.....	38,281	39,000	40,000
Loans repaid.....	67,339	70,501	75,000
Liens repaid.....	348	261	415
Recovery of liens previously written off.....	16	20	25
Other income.....	1		
Subtotal.....	778,526	827,947	864,806
Items not processed through Treasury (see contra entry above) (—).....	—135,938	—147,144	—145,005
Total revenue and receipts.....	642,588	680,803	719,801
Unobligated balance brought forward: U.S. securities (par).....	5,524,822	5,554,713	5,639,845
Total amounts available.....	6,167,410	6,235,516	6,359,646
Unobligated balance carried forward: U.S. securities (par).....	—5,554,713	—5,639,845	—5,749,350
Financing applied to program.....	612,697	595,671	610,296

This fund was established in 1940 as the financing mechanism for 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 5.3 million, totaling approximately \$34.6 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, 1959	June 30, 1960	June 30, 1961	June 30, 1962
Number of policies in force.....	5,344,628	5,282,759	5,219,000	5,159,000
Amount of insurance in force.....	\$35,069	\$34,649	\$34,252	\$33,843

The status of the fund excluding noncash transactions is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Unexpended balance of fund, beginning of year.....	5,751,949	5,812,962	5,910,950
Cash income during year:			
Interest on investments.....	172,407	178,500	183,500
Payments from general and special funds.....	10,298	9,896	9,512
Premium and other receipts.....	459,883	492,407	526,789
Total annual income.....	642,588	680,803	719,801
Cash outgo during year.....	581,575	582,815	595,301
Unexpended balance of fund, end of year.....	5,812,962	5,910,950	6,035,450

The assets of the fund, which are largely invested in special Treasury interest-bearing securities and in policy loans are expected to increase from \$6,136 million as of June 30, 1960, to \$6,475 million as of June 30, 1962. The current actuarial estimate of policy obligations totals \$5,645 million, leaving a balance of \$491 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 (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.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Funded.....	710,822	757,165	789,366
Nonfunded (premiums waived).....	10,201	12,000	13,250
Total revenue.....	721,023	769,165	802,616
Expense:			
Funded.....	630,857	617,355	619,801
Nonfunded:			
Liens written off, net.....	50	60	60
Premiums waived.....	10,201	12,000	13,250
Increase in operating reserves.....	91,133	140,073	169,000
Total expense.....	732,241	769,488	802,111
Net income or loss (—) for the year.....	—11,218	—323	505
Retained earnings, beginning of year.....	501,886	490,668	490,345
Retained earnings, end of year.....	490,668	490,345	490,850

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	9,873	4,950	4,450
U.S. securities (par).....	5,803,089	5,906,000	6,031,000
Accounts receivable, net.....	7,418	8,225	9,435
Policy loans.....	315,501	370,000	430,000
Policy liens.....	381	500	500
Total assets.....	6,136,261	6,289,675	6,475,385

INDEPENDENT OFFICES—Continued**VETERANS ADMINISTRATION—Continued****NATIONAL SERVICE LIFE INSURANCE FUND—Continued****Financial Condition (in thousands of dollars)—Continued**

	1960 actual	1961 estimate	1962 estimate
Liabilities:			
Current.....	265,666	279,330	295,535
Operating reserves:			
Policy reserves.....	2,694,805	2,950,000	3,225,000
Premium waiver disability reserves.....	121,643	125,000	124,000
Reserve for future installments on matured contracts.....	2,452,122	2,325,000	2,215,000
Total disability income reserves.....	11,858	15,000	20,000
Reserve for dividends.....	99,500	105,000	105,000
Total liabilities.....	5,645,593	5,799,330	5,984,535
Government investment:			
Retained earnings (reserve for contingencies).....	490,668	490,345	490,850

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash and U.S. securities.....	5,751,949	5,812,962	5,910,950	6,035,450
Unobligated balance, net:				
Current liabilities.....	233,539	265,666	279,330	295,535
Accrued interest receivable, net, and cash in transit (-).....	-6,412	-7,418	-8,225	-9,435
Total obligated balance.....	227,127	258,249	271,105	286,100
Unobligated balance.....	5,524,822	5,554,713	5,639,845	5,749,350

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans (policy loans).....	117,778	125,460	135,500
42 Insurance claims and indemnities.....	630,857	617,355	619,801
Subtotal.....	748,635	742,815	755,301
Items not processed through Treasury (-).....	-135,938	-147,144	-145,005
Total obligations.....	612,697	595,671	610,296

UNITED STATES GOVERNMENT LIFE INSURANCE FUND**Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. Death claims.....	49,863	46,837	48,093
2. Disability claims.....	22,454	20,043	20,570
3. Cash surrenders and matured endowments.....	21,595	20,000	18,300
4. Dividends.....	20,042	18,000	17,500
5. Interest paid on dividend credits and deposits.....	368	356	410
6. Premiums waived and liens written off.....	144	130	125
7. Other expense.....	6	8	8
8. Decrease (-) in operating reserves.....	-22,974	-14,238	-15,200
Total operating costs.....	91,498	91,136	89,806

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
Operating costs—Continued			
9. Unfunded adjustments to total operating costs:			
Decrease in operating reserves..	22,974	14,238	15,200
Premiums waived and liens written off (-).....	-144	-130	-125
Total operating costs, funded.....	114,328	105,243	104,881
Capital outlay:			
10. Policy loans made.....	19,116	19,162	13,500
11. Policy liens established.....	80	159	155
Total capital outlay.....	19,196	19,321	13,655
Total program costs—obligations.....	133,523	124,564	118,536
Items not processed through Treasury (see contra entry below) (-).....	-45,780	-47,560	-46,050
Net program costs—obligations...	87,743	77,004	72,486
Financing:			
Revenue and receipts:			
Premiums earned.....	22,389	20,442	19,425
Interest on investments.....	43,260	42,446	41,700
Payment from "Veterans insurance and indemnities".....	285	545	545
Amounts left under optional income settlements.....	18,741	20,000	21,000
Loans repaid.....	21,737	21,882	16,000
Liens repaid.....	109	150	150
Recovery of policy liens written off.....	2	1	1
Subtotal.....	106,523	105,465	98,821
Items not processed through Treasury (see contra entry above) (-).....	-45,780	-47,560	-46,050
Total revenue and receipts.....	60,743	57,905	52,771
Unobligated balance brought forward:			
U.S. securities (par).....	1,121,694	1,094,694	1,075,595
Total amounts available.....	1,182,437	1,152,599	1,128,366
Unobligated balance carried forward:			
U.S. securities (par).....	-1,094,694	-1,075,595	-1,055,880
Financing applied to program.....	87,743	77,004	72,486

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 323,000 policies of U.S. Government life insurance, providing coverage of more than \$1.4 billion, remain in force. The general decline in the activity of the fund is indicated in the following table:

	[Dollars in millions]			
	June 30, 1959	June 30, 1960	June 30, 1961	June 30, 1962
Number of policies.....	339,193	322,607	314,000	296,000
Insurance in force.....	\$1,486	\$1,418	\$1,375	\$1,300

The status of the fund excluding noncash transactions is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Unexpended balance of fund, beginning of year.....	1,132,622	1,110,118	1,087,010
Cash income during year:			
Interest on investments.....	38,898	38,100	37,500
Premium and other receipts.....	21,846	19,805	15,271
Total annual income.....	60,743	57,905	52,771
Cash outgo during year.....	83,248	81,013	72,396
Unexpended balance of fund, end of year...	1,110,118	1,087,010	1,067,385

The assets of the fund, which are largely invested in interest-bearing securities and policy loans, are estimated to decline from \$1,222 million as of June 30, 1960, to \$1,174 million as of June 30, 1962, as an increasing number of policies mature through death or disability. The actuarial evaluation of policy obligations as of June 30, 1960, totals \$1,128 million, leaving a balance of \$94 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 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue:			
Funded.....	84,676	83,434	82,671
Nonfunded (premiums waived).....	146	130	125
Total revenue.....	84,822	83,564	82,796
Expense:			
Funded.....	114,328	105,243	104,881
Nonfunded:			
Premiums waived and liens written off.....	144	130	125
Decrease (—) in operating reserves.....	—22,974	—14,238	—15,200
Total expense.....	91,498	91,136	89,806
Net loss (—) for the year.....	—6,676	—7,572	—7,010
Retained earnings, beginning of year.....	100,703	94,027	86,455
Retained earnings, end of year.....	94,027	86,455	79,445

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,578	2,510	2,385
U.S. securities (par).....	1,106,540	1,084,500	1,065,000
Accounts receivable, net.....	2,209	2,155	2,100
Policy loans.....	109,720	107,000	104,500
Policy liens.....	51	60	65
Total assets.....	1,222,098	1,196,225	1,174,050
Liabilities:			
Current.....	17,633	13,570	13,605
Operating reserves:			
Policy reserves.....	873,298	857,000	839,000
Reserves for future installments on matured contracts.....	212,727	215,000	218,000
Total disability income reserves.....	15,103	15,000	14,900
Reserve for dividends.....	9,310	9,200	9,100
Total liabilities.....	1,128,071	1,109,770	1,094,605
Government investment:			
Retained earnings (reserve for contingencies).....	94,027	86,455	79,445

Status of Certain Fund Balances (in thousands of dollars)

	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash and U.S. securities.....	1,132,622	1,110,118	1,087,010	1,067,385
Obligated balance, net:				
Current liabilities.....	13,227	17,633	13,570	13,605
Accounts receivable, net, and cash in transit (—).....	—2,299	—2,209	—2,155	—2,100
Total obligated balance.....	10,928	15,424	11,415	11,505
Unobligated balance.....	1,121,694	1,094,694	1,075,595	1,055,880

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
33 Investments and loans (policy loans).....	19,196	19,321	13,655
42 Insurance claims and indemnities.....	114,328	105,243	104,881
Subtotal.....	133,523	124,564	118,536
Items not processed through Treasury (—).....	—45,780	—47,560	—46,050
Total obligations.....	87,743	77,004	72,486

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

ADVANCES FOR CONSTRUCTION SERVICES

Program and Financing (in thousands of dollars)

	Costs to this appropriation					Analysis of 1962 financing			Appropriation required to complete
	Total estimate	To June 30, 1959	1960 actual	1961 estimate	1962 estimate	Deduct unpaid undelivered orders and unobligated balance, start of year	Add unpaid undelivered orders and unobligated balance, end of year	Appropriation required for 1962	
Program by activities:									
1. Design, supervision, etc.....	600		41	362	144	198	54		
2. Construction.....	9,060		14	1,250	5,750	7,796	2,046		
3. Furniture and equipment.....	315				100	315	215		
Total program costs.....	9,975		55	1,612	5,994	8,309	2,315		
4. Relation of costs to obligations:									
Costs financed from obligations of other years, net (-).....					-5,288				
Obligations incurred for costs of other years, net.....			304	6,216					
Total obligations.....			358	7,828	705				
Financing:									
Unobligated balance brought forward (contract authorization).....				261	1,789				
Contract authorization (new).....			619	9,356					
Unobligated balance carried forward (contract authorization).....			-261	-1,789	-1,084				
Financing applied to program.....			358	7,828	705				

The Federal Deposit Insurance Corporation has acquired a site in the District of Columbia for use in construction of a new headquarters building. Under an estimated cost of \$9,975 thousand exclusive of site cost but including \$600 thousand for design and supervision, the General Services Administration, as agent for FDIC, will undertake the design and construction of the project. A design contract awarded in November 1959 was completed in November 1960. Award of the construction contract is scheduled for December 1960, for completion about February 1963.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1960, \$304 thousand; 1961, \$6,520 thousand; 1962, \$1,232 thousand.

Status of Unfunded Contract Authorization (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unfunded contract authorization brought forward.....		510	8,266
Contract authorization (new).....	619	9,356	
Unfunded contract authorizations carried forward.....	-510	-8,266	-2,266
Receipts to liquidate contract authorization.....	109	1,600	6,000

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....		1	1
24 Printing and reproduction.....		20	3
25 Other services.....	344	157	51
31 Equipment.....			300
32 Lands and structures.....	14	7,650	350
Total obligations.....	358	7,828	705

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 positive copies of microfilm publications, reproductions and other 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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Microfilm services, National Archives.....		78	100
Reproduction services, National Archives:			
Acquisition of equipment.....	4	5	5
Expense:			
Purchase of publications for resale.....	5	8	8
Other expense.....	92	99	100
Franklin D. Roosevelt Library: Expense:			
Purchases of publications for resale.....		1	1
Other expense.....	42	46	47
Truman Library:			
Acquisition of equipment.....	1		
Expense:			
Purchase of publications for resale.....	1	1	1
Other expense.....	30	38	38
Total gross expenditures.....	175	276	300
Receipts from operations (funds provided):			
Revenue and receipts:			
Microfilm services, National Archives.....		85	105
Reproduction services, National Archives.....	98	100	110
Franklin D. Roosevelt Library.....	54	55	55
Truman Library.....	57	60	60

Sources and Application of Funds (Operations) (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Receipts from operations (funds provided)—			
Continued			
Decrease in selected working capital.....	5		
Total receipts from operations.....	214	300	330
Trust expenditures.....	-39	-24	-30
Revenue, Expense, and Retained Earnings (in thousands of dollars)			
Microfilm services, National Archives:			
Revenue.....		85	105
Expense.....		79	101
Net operating income, microfilm services.....		6	4
Reproduction services, National Archives:			
Revenue.....	98	100	110
Expense.....	102	108	109
Net operating income or loss (-), reproduction services.....	-4	-8	1
Franklin D. Roosevelt Library:			
Revenue.....	54	55	55
Expense.....	44	49	50
Net operating income, Franklin D. Roosevelt Library.....	10	6	5
Truman Library:			
Revenue.....	57	60	60
Expense.....	31	39	39
Net operating income, Truman Library.....	26	21	21
Nonoperating income or loss (-):			
Transfer of current assets, net, from "National Archives gift fund".....		2	
Equipment transferred to other sources.....	-2		
Equipment transferred from other sources.....		12	
Net nonoperating income or loss (-).....	-2	14	
Net income for year.....	30	39	31
Analysis of retained earnings:			
Retained earnings, beginning of year.....	258	288	393
Transfer of cash from "National Archives gift fund".....		66	
Retained earnings, end of year.....	288	393	424
Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury.....	156	246	276
U.S. securities (par).....	102	102	102
Accounts receivable, net.....	2	13	13
Inventories for sale.....	25	25	25
Equipment, net.....	18	31	32
Total assets.....	303	417	448
Liabilities:			
Current.....	15	24	24
Government investment:			
Retained earnings.....	288	393	424
Object Classification (in thousands of dollars)			
11 Personnel compensation:			
Permanent positions.....	99	154	159
Positions other than permanent.....	10	10	10
Other personnel compensation.....	1		
Add excess of annual leave earned over leave taken.....	1		
Total personnel compensation.....	111	164	169

Object Classification (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	7	12	13
21 Travel and transportation of persons.....		4	6
22 Transportation of things.....	1	2	2
24 Printing and reproduction.....	12	12	12
25 Other services.....	2	4	20
26 Supplies and materials.....	42	73	73
31 Equipment.....	5	5	5
Adjustment of prior year costs.....	-1		
Total costs.....	179	276	300
Costs financed from obligations of other years, net (-).....	-1		
Total obligations.....	178	276	300

Personnel Summary

Total number of permanent positions.....	23	32	32
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	24	34	34
Number of employees at end of year.....	26	32	34
Average GS grade.....	5.1	5.0	5.0
Average GS salary.....	\$4,615	\$4,954	\$5,050
Average salary of ungraded positions.....	\$4,077	\$4,077	\$4,077

NATIONAL ARCHIVES GIFT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Preparation of microfilm reproductions.....	43		
2. Historical research projects.....	23	40	36
3. Dr. S. J. Buck portrait.....	2		
Total program costs ¹	68	40	36
4. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-2	-6	
Total obligations.....	66	34	36
Financing:			
Unobligated balance brought forward.....	91	94	17
Receipts:			
Sale of microfilm publications.....	48		
Ford Foundation grant.....	20	25	31
Dr. S. J. Buck portrait.....	1		
Unobligated balance transferred to "National Archives trust fund".....		-68	
Unobligated balance carried forward.....	-94	-17	-12
Total financing.....	66	34	36

¹ Includes capital outlay of \$2 thousand in 1960.

The National Archives Trust Fund Board receives and administers donations for the benefit of the National Archives (44 U.S.C. 300cc). 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 under a grant from the American Historical Association, and preparation of a documentary history of the ratification of the Constitution and the first 10 amendments under a grant from the Ford Foundation.

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$10 thousand; 1960, \$8 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

GENERAL SERVICES ADMINISTRATION—Con.**RECORDS ACTIVITIES—Continued**

NATIONAL ARCHIVES GIFT FUND—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	46	25	25
12 Personnel benefits.....	3	2	2
21 Travel and transportation of persons.....	1	1	1
25 Other services.....	1	1	1
26 Supplies and materials.....	15	5	7
Total obligations.....	66	34	36

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	11	3	3
Average number of all employees.....	9	3	3
Number of employees at end of year.....	9	3	3
Average GS grade.....	4.8	8.0	8.0
Average GS salary.....	\$4,466	\$6,344	\$6,428

HOUSING AND HOME FINANCE AGENCY**FEDERAL NATIONAL MORTGAGE ASSOCIATION**

SECONDARY MARKET OPERATIONS FUND (TRUST REVOLVING FUND)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operations:			
Mortgage servicing fees.....	10,292	14,400	17,725
Other.....	2,923	3,940	4,485
Interest on borrowings from the public.....	77,245	110,680	133,416
Interest on borrowings from the Treasury.....	5,392	2,000	2,000
Income tax equivalent.....	9,356	14,250	20,285
Dividends on common stock held by the public.....	1,445	2,380	2,965
Dividends on preferred stock held by the Treasury.....	2,645	3,750	4,970
Total operations.....	109,297	151,400	185,846
Capital outlay: Mortgage purchase commitments.....	1,142,348	827,361	976,500
Total obligations.....	1,251,645	978,761	1,162,346
Financing:			
Amounts becoming available: Revenue and receipts:			
Mortgage loan repayments and sales.....	72,433	192,063	172,800
Interest on mortgage loans.....	100,706	145,900	185,900
Other revenue.....	9,619	9,925	11,500
Sale of common stock to public.....	22,554	15,475	20,475
Total amounts becoming available.....	205,312	363,363	390,675
Unobligated balance brought forward (authorization to expend from debt receipts).....	1,318,104	542,880	152,522
Additional authorization:			
New authorization for preferred stock (based on proposed legislation).....			35,000
10 times increase in the aggregate of authorized capital and retained earnings.....	271,110	225,040	662,700
Total amounts available.....	1,794,525	1,131,283	1,240,897

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward (authorization to expend from debt receipts).....	-542,880	-152,522	-78,551
Financing applied to program.....	1,251,645	978,761	1,162,346

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 (a) the sale of obligations to private investors, or to the Secretary of the Treasury (the Secretary of the Treasury may not at any one time hold more than \$2.25 billion of such obligations), (b) subscriptions by the Secretary of the Treasury to FNMA preferred stock (\$92.8 million was subscribed in 1955, \$50 million in 1957, and will be increased in 1961 by \$28 million and in 1962 by \$40 million to a total of \$210.8 million), (c) mandatory subscriptions to the Association's common stock, by mortgage sellers, (d) the sale of mortgages to the investing public, (e) repayments and prepayments of mortgage principal, and (f) income from operations. Government management is intended to be transitional, to be succeeded by private operations 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 II of the budget in connection with the program's general fund financing and effect on budget expenditures.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Acquisition of assets: Federal Housing Administration insured and Veterans Administration guaranteed mortgages.....	1,056,076	730,610	976,500
Expense.....	91,772	128,040	157,885
Income tax equivalent.....	9,356	14,250	20,285
Dividends:			
On preferred stock held by Treasury.....	2,645	3,750	4,970
On common stock held by public.....	1,445	2,380	2,965
General fund financing: Repayment of borrowings to Treasury.....	836,636	450,000	700,000
Total gross expenditures.....	1,997,929	1,329,030	1,862,605
Receipts from operations (funds provided):			
Realization of assets: Mortgage repayments and sales.....	72,433	192,063	172,800
Sales of common stock to public.....	22,554	15,475	20,475
Revenue.....	110,326	155,825	197,400
Decrease in selected working capital.....	9,509	5,930	11,930
General fund financing:			
Borrowing from Treasury.....	795,105	450,000	700,000
Issuance of preferred stock.....		28,000	40,000
Total receipts from operations.....	1,009,927	847,293	1,142,605
Trust expenditures.....	988,003	481,738	720,000

Revenue, Expense, and Retained Earnings (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Revenue.....	110,326	155,825	197,400
Expense.....	92,323	128,415	158,385
Net income before income tax equivalent.....	18,003	27,410	39,015
Income tax equivalent.....	9,356	14,250	20,285
Net income for the year.....	8,647	13,160	18,730
Analysis of retained earnings:			
Retained earnings, beginning of year.....	17,129	21,686	28,716
Dividends:			
On preferred stock held by Treasury (-).....	-2,645	-3,750	-4,970
On common stock held by public (-).....	-1,445	-2,380	-2,965
Retained earnings, end of year.....	21,686	28,716	39,511
The above is distributed as follows:			
Trust investment.....	6,688	9,438	13,581
Government investment.....	14,998	19,278	25,930

Financial Condition (in thousands of dollars)			
Assets:			
Cash with Treasury.....	58,536	53,536	53,536
U.S. securities: FHA debentures on hand.....	494	494	494
Accounts receivable, net.....	18,165	23,800	29,800
Deferred charges.....	6,366	9,217	8,766
Loans receivable, net: FHA insured and VA guaranteed mortgages.....	2,493,340	3,031,512	3,834,712
Total assets.....	2,576,901	3,118,559	3,927,308
Liabilities:			
Current liabilities.....	61,464	76,008	93,679
Deferred income—premium on sale of debentures to public.....	901	773	581
Short term discount notes payable.....	193,985	461,280	481,280
Debentures payable.....	2,090,557	2,300,000	3,030,000
Total liabilities.....	2,346,907	2,838,061	3,575,540
Trust investment:			
Common stock issued or subscribed:			
Start of year.....	42,934	65,487	80,962
Increase during year.....	22,554	15,475	20,475
End of year.....	65,487	80,962	101,437
Retained earnings.....	6,688	9,438	13,581
Total trust investment.....	72,175	90,460	115,018
Government investment:			
Interest-bearing capital:			
Start of year.....	41,531	-----	-----
Borrowings from Treasury during year, net.....	-41,531	-----	-----
End of year.....	-----	-----	-----
Non-interest-bearing capital:			
Preferred stock issued:			
Start of year.....	142,820	142,820	170,820
Issued during year.....	-----	28,000	40,000
End of year.....	142,820	170,820	210,820
Retained earnings.....	14,998	19,278	25,930
Total non-interest-bearing capital total.....	157,819	190,098	236,750
Total trust and Government investment.....	229,994	280,498	351,768

Status of Certain Fund Balances (in thousands of dollars)				
	1959 actual	1960 actual	1961 estimate	1962 estimate
Unexpended balance: Cash and U.S. securities.....	52,616	59,030	54,030	54,030
Authorization to expend from debt receipts:				
Authorization to expend from public debt receipts (general fund).....	2,273,469	2,315,000	2,287,000	2,282,000
Portion available only as corporate debt to the public is retired (-).....	-1,290,125	-2,284,542	-2,761,280	-3,481,280
Amount in excess of authorization to expend from public debt receipts.....	428,830	699,940	924,980	1,587,680
Authorization to expend from debt receipts.....	1,412,174	730,398	450,700	388,400
Total unexpended balance.....	1,464,790	789,428	504,730	442,430
Obligated balance, net:				
Current liabilities.....	40,033	61,464	76,008	93,679
Mortgage purchase commitments.....	116,977	203,249	300,000	300,000
Accounts receivable, net (-).....	-10,323	-18,165	-23,800	-29,800
Total obligated balance.....	146,687	246,548	352,208	363,879
Unobligated balance.....	1,318,104	542,880	152,522	78,551

Note.—Preferred stock authorized but not issued, as follows: 1960, \$65,000 thousand; 1961, \$37,000 thousand; 1962, \$32,000 thousand.

DEPARTMENT OF AGRICULTURE

AGRICULTURAL RESEARCH SERVICE

AGRICULTURAL RESEARCH SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 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 in interstate and foreign commerce.....	84	84	83
(b) Identification and certification service for meat and other products.....	107	113	112
(c) Contract specification work on meat and meat food products.....	437	216	216
(d) Food inspection service (meat and meat food products).....	-----	10	20
2. Expenses, feed and attendants for animals in quarantine.....	35	41	35
3. Miscellaneous contributed funds.....	446	446	357
4. Prior year advances returned.....	81	-----	-----
Total program costs ¹	1,190	910	823

¹ Includes capital outlay as follows: 1960, \$15 thousand; 1961, \$15 thousand; 1962, \$8 thousand.

DEPARTMENT OF AGRICULTURE—Continued

AGRICULTURAL RESEARCH SERVICE—Continued

AGRICULTURAL RESEARCH SERVICE TRUST FUNDS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
5. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	8		
Total obligations.....	1,198	910	823
Financing:			
Unobligated balance brought forward.....	301	340	144
Receipts:			
Expenses and refunds, inspection and grading of farm products.....	635	430	447
Expenses, feed and attendants for animals in quarantine.....	31	30	35
Miscellaneous contributed funds.....	571	254	346
Unobligated balance carried forward.....	-340	-144	-149
Total financing.....	1,198	910	823

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; (c) examination of meat and meat food products in federally inspected meat packing plants for compliance with contract specifications; and (d) a food inspection service covering any article of human food derived wholly or in part from meat, meat byproducts or meat food products not subject to the Federal meat inspection laws but for which the mark of Federal meat inspection is requested (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).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$3 thousand; 1960, \$11 thousand; 1961, \$11 thousand; 1962, \$11 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	182	248	220
Positions other than permanent.....	17	12	10
Other personnel compensation.....	12	14	13
Total personnel compensation.....	211	274	243
12 Personnel benefits.....	17	23	20
21 Travel and transportation of persons.....	24	26	26
22 Transportation of things.....	4	4	4
23 Rent, communications, and utilities.....	14	3	3
24 Printing and reproduction.....	13	2	2

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	75	64	37
Services of other agencies.....	708	449	468
26 Supplies and materials.....	33	50	12
31 Equipment.....	18	15	8
44 Refunds.....	81		
Total obligations.....	1,198	910	823

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	32	30	31
Full-time equivalent of other positions.....	5	4	3
Average number of all employees.....	37	45	39
Number of employees at end of year.....	47	40	35
Average GS grade.....	7.6	7.7	7.7
Average GS salary.....	\$6,096	\$6,621	\$6,622
Average salary of ungraded positions.....	\$4,168	\$4,402	\$4,394

EXTENSION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations) (object class 21).....	5	7	6
Financing:			
Receipts.....	5	7	6

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

SOIL CONSERVATION SERVICE

MISCELLANEOUS CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Miscellaneous contributed funds (total program costs).....	315	299	300
2. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	-35		
Obligations incurred for costs of other years, net.....		1	
Total obligations.....	280	300	300
Financing:			
Unobligated balance brought forward.....	89	62	13
Receipts.....	254	250	287
Unobligated balance carried forward.....	-62	-13	
Total financing.....	280	300	300

1. *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).

2. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$36 thou-

sand; 1960, \$1 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	138	140	140
Positions other than permanent.....	22	35	35
Other personnel compensation.....	1	1	1
Total personnel compensation.....	161	176	176
12 Personnel benefits.....	10	11	11
21 Travel and transportation of persons.....	19	20	20
23 Rent, communications, and utilities.....	2	3	3
25 Other services.....	51	60	60
Services of other agencies.....	5	5	5
26 Supplies and materials.....	4	4	4
44 Refunds.....	28	21	21
Total obligations.....	280	300	300

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	20	16	16
Full-time equivalent of other positions.....	6	9	9
Average number of all employees.....	30	32	32
Number of employees at end of year.....	29	28	28
Average GS grade.....	6.9	7.1	7.1
Average GS salary.....	\$5,605	\$6,138	\$6,114

AGRICULTURAL MARKETING SERVICE

AGRICULTURAL MARKETING SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Expenses and refunds, inspection and grading of farm products:			
(a) Cottonseed.....	29	35	35
(b) Dairy products.....	1,474	1,563	1,563
(c) Fresh and processed fruits and vegetables.....	5,669	6,575	6,791
(d) Meat.....	4,383	5,008	5,008
(e) Naval stores.....	14	14	14
(f) Poultry products.....	4,542	4,340	4,645
(g) Rice, hay, beans, peas, seed, hops, and miscellaneous agricultural commodities.....	1,407	1,595	1,595
2. Miscellaneous contributed funds.....	74	52	41
Total program costs ¹	17,592	19,182	19,692
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—2	
Obligations incurred for costs of other years, net.....	49		
Total obligations.....	17,641	19,180	19,692
Financing:			
Unobligated balance brought forward.....	6,391	7,055	6,523
Receipts:			
Expenses and refunds, inspection and grading of farm products.....	18,167	18,603	19,005
Miscellaneous contributed funds.....	64	45	41
Recovery of prior year obligations.....	73		
Unobligated balance carried forward.....	—7,055	—6,523	—5,877
Total financing.....	17,641	19,180	19,692

¹ Includes capital outlays as follows: 1960, \$58 thousand; 1961, \$58 thousand; 1962, \$58 thousand.

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	1960 actual	1961 estimate	1962 estimate
Dairy products.....	Pound.....	2,315.2	2,315.0	2,315.0
Fresh fruits and vegetables.....	Car or carlot equivalent.	1.4	1.4	1.4
Processed fruits and vegetables:				
Canned products.....	Case.....	180.2	185.0	190.0
Frozen, dried, and miscellaneous.	Pound.....	3,422.6	3,693.0	3,693.0
Meat and meat products, graded.	Pound.....	7,536.6	7,950.0	8,480.0
Poultry products, graded:				
Shell eggs.....	Case.....	31.7	32.0	33.0
Processed eggs.....	Pound.....	519.0	520.0	530.0
Poultry, including rabbits.....	Pound.....	2,702.4	3,038.1	3,458.1
Poultry products, inspected:	Pound.....	0.7	0.7	0.7
Rabbits.....				
Poultry certified for canning.....	Pound.....	323.0		
Grain and related products:				
Rice, beans and peas.....	Hundredweight.....	60.2	60.0	60.0
Seed verification and reverification.	Pound.....	74.8	50.0	50.0

2. *Miscellaneous contributed funds.*—Miscellaneous funds received from States, local organizations, individuals, and others available for work under cooperative agreements (5 U.S.C. 67, 563).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$76 thousand; 1959 adjusted, \$3 thousand; 1960, \$52 thousand; 1961, \$50 thousand; 1962, \$50 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	12,610	14,004	14,385
Positions other than permanent.....	443	518	518
Other personnel compensation.....	906	855	889
Total personnel compensation.....	13,959	15,377	15,792
12 Personnel benefits.....	870	1,132	1,165
21 Travel and transportation of persons.....	1,234	1,286	1,327
22 Transportation of things.....	53	109	119
23 Rent, communications, and utilities.....	311	351	358
24 Printing and reproduction.....	100	108	110
25 Other services.....	676	555	539
Services of other agencies.....	218	55	70
26 Supplies and materials.....	134	136	140
31 Equipment.....	86	71	72
Total obligations.....	17,641	19,180	19,692

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	2,779	2,602	2,720
Full-time equivalent of other positions.....	109	119	119
Average number of all employees.....	2,404	2,468	2,551
Number of employees at end of year.....	2,519	2,555	2,670
Average GS grade.....	7.3	7.5	7.5
Average GS salary.....	\$5,795	\$6,356	\$6,337
Average salary of ungraded positions.....	\$4,391	\$4,430	\$4,409

DEPARTMENT OF AGRICULTURE—Continued**FOREIGN AGRICULTURAL SERVICE****MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations) (object class 11—positions other than permanent).....	4	4	-----
Financing:			
Receipts.....	4	4	-----

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Average number of all employees.....	1	1	-----
Number of employees at end of year.....	0	0	-----

COMMODITY STABILIZATION SERVICE**MISCELLANEOUS CONTRIBUTED FUNDS****Program and Financing (in thousands of dollars)**

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous contributed funds (total costs—obligations) (object class 25).....	21	5	5
Financing:			
Receipts.....	21	5	5

Miscellaneous funds received from States, local organizations, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

FARMERS HOME ADMINISTRATION**STATE RURAL REHABILITATION FUNDS**

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 5% of which 1% represents an insurance charge that is retained by the Government. The entire assets of the 40 State corporations are being administered by the Farmers Home Administration, with the exception of \$11.8 million 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 1961 and 1962 as a result of the further return of assets to State corporations. Actual and estimated loan operations for the fiscal years 1959, 1960, 1961, and 1962 are as follows (in thousands of dollars):

	Operating	Farm ownership
1959.....	1,514	9,721
1960.....	1,241	6,025
1961 (estimate).....	600	3,400
1962 (estimate).....	400	2,600

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Loan program:			
Acquisition of loans.....	7,388	4,000	3,000
Other acquisitions.....	10	10	10
Expense.....	602	524	452
Assets returned to States.....	856	420	850
Total gross expenditures.....	8,855	4,954	4,312
Receipts from operations (funds provided):			
Loan program:			
Loans repaid.....	4,452	4,300	2,940
Proceeds from sale of acquired property.....	3	5	4
Payments on judgments.....	6	20	20
Revenue.....	1,122	1,030	920
Decrease in selected working capital.....	1,010	162	456
Total receipts from operations.....	6,594	5,517	4,340
Trust expenditures.....	2,261	-563	-28

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Operating program:			
Revenue.....	1,122	1,030	920
Expense.....	521	626	410
Net operating income.....	601	404	510
Nonoperating income:			
Sale of acquired property.....	3	5	4
Net book value of assets sold (-).....	-2	-4	-4
Net nonoperating income.....	1	1	0
Net income for the year.....	602	405	510
Deficit (-), beginning of year.....	-3,652	-3,050	-2,645
Deficit (-), end of year.....	-3,050	-2,645	-2,135

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,905	2,541	2,669
U.S. securities (par).....	2,173	2,100	2,000
Accounts receivable, net.....	932	854	671
Loans receivable, net.....	21,540	18,846	16,275
Real estate acquired through foreclosure.....	29	25	21
Judgments, net.....	32	30	25
Total assets.....	26,611	24,396	21,661
Liabilities:			
Current.....	45	45	45
Investment of States:			
Non-interest-bearing capital:			
Start of year.....	33,747	29,616	26,996
Assets transferred under trust agreement during year, net (-).....	-4,131	-2,620	-3,245
End of year.....	29,616	26,996	23,751
Deficit (-).....	-3,050	-2,645	-2,135
Total investment of States.....	26,566	24,351	21,616

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	179	153	116
Other personnel compensation.....	1	1	
Total personnel compensation.....	180	154	116
12 Personnel benefits.....	12	11	9
21 Travel and transportation of persons.....	11	10	10
25 Other services.....	77	65	65
33 Investments and loans.....	7,265	4,000	3,000
44 Refunds.....	617	400	600
Undistributed charges.....	231	230	239
Total obligations.....	8,393	4,870	4,039

Personnel Summary

Total number of permanent positions.....	37	30	22
Average number of all employees.....	36	29	22
Number of employees at end of year.....	31	30	22
Average GS grade.....	5.2	5.8	5.9
Average GS salary.....	\$4,994	\$5,247	\$5,278

OFFICE OF INFORMATION

MISCELLANEOUS CONTRIBUTED FUNDS

Program and financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Miscellaneous contributed funds (total costs--obligations) (object class 25).....	2		
Financing:			
Receipts.....	2		

Miscellaneous funds received from States, local organizations, individuals, and others are available for work under cooperative agreements (5 U.S.C. 67, 563).

FOREST SERVICE

FOREST SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Cooperative work:			
(a) Construction and maintenance of roads and trails.....	1,265	1,300	1,300
(b) Construction and maintenance of other improvements.....	574	600	600
(c) Protection of national forests and adjacent private land.....	2,591	2,600	2,600
(d) Sale area betterment and scaling.....	12,395	15,829	16,330
(e) Research investigations.....	927	1,000	1,000
(f) Administration.....	54	55	55
(g) Reforestation.....	111	115	115
2. Miscellaneous contributed funds.....	7	1	
Total program costs ¹	17,925	21,500	22,000
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	153		
Total obligations.....	18,078	21,500	22,000

¹ Includes capital outlay as follows: 1960, \$10,611 thousand; 1961, \$14,045 thousand; 1962, \$14,545 thousand.

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	15,165	19,181	20,181
Receipts (cooperative work).....	22,094	22,500	23,000
Unobligated balance carried forward.....	-19,181	-20,181	-21,181
Total financing.....	18,078	21,500	22,000

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).

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

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at start of year:				
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	521	671	674	674
Advances (payment for goods and services on order not yet received).....		3		
Total selected resources at end of year.....	521	674	674	674
Selected resources at start of year (—).....		-521	-674	-674
Obligations incurred for costs of other years, net.....		153		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	6,140	6,644	6,644
Positions other than permanent.....	4,918	7,139	7,387
Other personnel compensation.....	416	414	420
Total personnel compensation.....	11,474	14,197	14,451
12 Personnel benefits.....	576	782	809
21 Travel and transportation of persons.....	233	296	306
22 Transportation of things.....	837	968	1,002
23 Rent, communications, and utilities.....	303	321	332
24 Printing and reproduction.....	20	23	24
25 Other services.....	1,242	1,418	1,472
Services of other agencies.....	782	820	851
26 Supplies and materials.....	1,574	1,822	1,887
31 Equipment.....	378	394	407
32 Lands and structures.....	800	595	616
41 Grants, subsidies, and contributions.....	14	37	38
42 Insurance claims and indemnities.....	26	63	65
44 Refunds.....	89	39	40
Subtotal.....	18,347	21,775	22,300
Deduct quarters and subsistence charges.....	269	275	300
Total obligations.....	18,078	21,500	22,000

Personnel Summary

Total number of permanent positions.....	1,444	1,578	1,578
Full-time equivalent of other positions.....	1,508	2,120	2,192
Average number of all employees.....	2,853	3,514	3,586
Number of employees at end of year.....	3,068	3,081	3,600
Average GS grade.....	6.9	7.0	7.0
Average GS salary.....	\$5,605	\$6,068	\$6,069
Average salary of ungraded positions.....	\$4,724	\$4,808	\$4,799

DEPARTMENT OF COMMERCE

BUREAU OF THE CENSUS

SPECIAL STATISTICAL WORK

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Special statistical studies:			
(a) Age and citizenship searches.....	524	530	530
(b) Special statistical studies.....	1,189	820	920
2. General administration.....	118	130	150
Total program costs.....	1,831	1,480	1,600
3. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-2		
Total obligations.....	1,829	1,480	1,600
Financing:			
Unobligated balance brought forward.....	336	1,084	1,000
Receipts.....	2,579	1,396	1,400
Unobligated balances carried forward.....	-1,084	-1,000	-800
Total financing.....	1,829	1,480	1,600

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 the 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).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$5 thousand; 1959 adjusted, \$9 thousand; 1960, \$7 thousand; 1961, \$7 thousand; 1962, \$7 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	812	959	973
Positions other than permanent.....	90	112	197
Other personnel compensation.....	44	43	40
Total personnel compensation.....	946	1,114	1,210
12 Personnel benefits.....	68	84	90
21 Travel and transportation of persons.....	63	71	75
22 Transportation of things.....	3	3	3
23 Rent, communications, and utilities.....	52	57	60
24 Printing and reproduction.....	28	30	35
25 Other services.....	19	21	25
Services of other agencies.....	526	55	55
26 Supplies and materials.....	18	18	20
31 Equipment.....	2	2	2
44 Refunds.....	106	25	25
Total costs.....	1,831	1,480	1,600
Costs financed from obligations of other years, net (-).....	-2		
Total obligations.....	1,829	1,480	1,600

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	204	204	204
Full-time equivalent of other positions.....	24	26	46
Average number of all employees.....	212	230	250
Number of employees at end of year.....	183	220	220
Average GS grade.....	6.8	6.9	6.9
Average GS salary.....	\$5,765	\$6,218	\$6,210
Average salary of ungraded positions.....	\$5,380	\$5,430	\$5,430

BUSINESS AND DEFENSE SERVICES ADMINISTRATION

BUSINESS AND DEFENSE SERVICES ADMINISTRATION TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Special studies and reports.....	12	12	12
2. Preparation of transcripts of studies, tables, and other records.....	536	700	700
Total program costs.....	548	712	712
3. Relation of costs to obligations: Obligations incurred for costs of other years, net.....	1		
Total obligations.....	549	712	712
Financing:			
Unobligated balance brought forward.....	322	370	270
Receipts:			
Special statistical work.....	11	12	12
Expenses, transcripts of studies, tables, and other records.....	586	600	600
Unobligated balance carried forward.....	-370	-270	-170
Total financing.....	549	712	712

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 (15 U.S.C. 1153; 31 U.S.C. 725s).

3. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand; 1960, \$2 thousand; 1961, \$2 thousand; 1962, \$2 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
22 Transportation of things.....	5	7	7
24 Printing and reproduction.....	12	12	12
25 Other services: Services of other agencies.....	532	693	693
Total obligations.....	549	712	712

MARITIME ACTIVITIES

FEDERAL SHIP MORTGAGE INSURANCE ESCROW FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction of insured vessels.....		20,268	23,008
Interest on Government securities.....	1,452	4,926	2,243
Total obligations.....	1,452	25,194	25,251
Financing:			
Unobligated balance brought forward:			
Cash.....		3,119	585
U.S. securities (par).....		45,916	24,656
Receipts:			
Deposits.....	49,332		
Interest.....	528	1,400	490
Gain from premium or discount on invest- ments.....	626		
Unobligated balance carried forward:			
Cash.....	-3,119	-585	-123
U.S. securities (par).....	-45,916	-24,656	-356
Total financing.....	1,452	25,194	25,251

In connection with the insurance of loans and mortgages which are for construction, reconstruction, or reconditioning of vessels, and which are financed by sale of bonds to the general public, section 1111, Merchant Marine Act, 1936, as amended (73 Stat. 272, 273), authorizes the Secretary of Commerce to accept deposits in escrow of the proceeds from such sale of bonds, together with interest due to the bondholders.

Funds so deposited are to be used to make payments becoming due (a) on the construction, reconstruction, or reconditioning of the vessels, (b) for interest on the loan or mortgage, or (c) payments on account of principal in cases of default. Investments of the fund may be made in obligations of the United States with any income realized paid to the borrower or mortgagor.

Establishment of the fund was authorized by Public Law 86-127, enacted July 31, 1959. Through August 31, 1960, \$49,348 thousands had been deposited into the fund covering construction of eight vessels. No additional deposits into this fund are anticipated to be made through 1962.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
31 Equipment.....		20,268	23,008
43 Interest and dividends.....	1,452	4,926	2,243
Total obligations.....	1,452	25,194	25,251

UNITED STATES MERCHANT MARINE ACADEMY, KINGS POINT,
N.Y., DONATIONS FOR CHAPEL AND LIBRARY

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Construction of chapel (total obligations) (object class 32).....	192	15	

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward: U.S. securities (par) ¹	118	8	
Receipts:			
Donations.....	45	7	
Interest from investments.....	37		
Unobligated balance carried forward: U.S. securities (par).....	-8		
Total financing.....	192	15	

¹ In addition, U.S. securities are obligated at the start of the year as follows: 1960, \$424 thousand; 1961, \$25 thousand.

Contributions from private sources have been applied to the cost of construction of a chapel at the Merchant Marine Academy, Kings Point, N.Y. (68 Stat. 1050; 62 Stat. 172). The initial phase of construction of the chapel commenced in 1959. As of September 15, 1960, the basic construction work was substantially completed. On basis of authorization under the 1961 Maritime training appropriation, bids had been requested for the interior furnishings and equipment. It is anticipated that the chapel will be fully furnished and ready for use by approximately April 1, 1961.

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. 465.

OTHER BUREAU OF PUBLIC ROADS TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Cooperative work, forest highways.....	87	550	500
2. Equipment, supplies, etc., for cooperating countries.....	3,875	4,800	4,800
3. Technical assistance, U.S. dollars advanced from foreign governments.....	4,464	4,726	3,500
4. Advances from Alaska.....	16,352	8,000	
5. Funds contributed for improvement of roads, bridges, and trails, Alaska.....	48		
6. Contributions for highway research pro- gram.....	11	1	
7. Advances from State cooperating agencies.....	88	119	
Total obligations.....	24,925	18,196	8,800
Financing:			
Unobligated balance brought forward.....	2,603	1,332	
Receipts:			
Cooperative work, forest highways.....	78	501	500
Equipment, supplies, etc., for cooperating countries.....	3,875	4,800	4,800
Technical assistance, U.S. dollars advanced from foreign governments.....	3,362	3,500	3,500
Advances from Alaska.....	16,186	8,000	
Contributions for highway research pro- gram.....	9		
Advances from State cooperating agencies.....	144	63	
Unobligated balance carried forward.....	-1,332		
Total financing.....	24,925	18,196	8,800

DEPARTMENT OF COMMERCE—Continued

BUREAU OF PUBLIC ROADS—Continued

OTHER BUREAU OF PUBLIC ROADS TRUST FUNDS—Continued

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 (23 U.S.C. 204).

2. *Equipment, supplies, etc., for cooperating countries.*—In connection with the construction of the Inter-American Highway, the Bureau acts as agent for the cooperating Central American Republics in purchase of equipment, supplies, and services (23 U.S.C. 308).

3. *Technical assistance, U.S. 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 (23 U.S.C. 308).

4. *Advances from Alaska.*—Pursuant to the agreement between the Federal Government and the State of Alaska, the Bureau of Public Roads performs State highway functions on the Federal-aid systems for Alaska with funds contributed by the State (23 U.S.C. 120(8), 308).

5. *Funds contributed for improvement of roads, bridges, and trails, Alaska.*—Funds are contributed by the State of Alaska and other local sources for construction, repair, and maintenance of roads, airfields, and related facilities. The work is performed under the supervision of the Bureau of Public Roads (23 U.S.C. 308).

6. *Contributions for highway research program.*—In association with the General Services Administration and the Department of Defense, tests of highway equipment are conducted for the purpose of establishing performance standards upon which to base specifications for use by the Government in purchasing such equipment (23 U.S.C. 307).

7. *Advances from State cooperating agencies.*—Funds are contributed by the State highway departments or local subdivisions thereof for construction and/or maintenance of roads or bridges. The work is performed under the supervision of the Bureau of Public Roads (23 U.S.C. 308).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	4,576	2,114	640
Positions other than permanent.....	826	260	
Other personnel compensation.....	726	302	85
Total personnel compensation.....	6,128	2,676	725
12 Personnel benefits.....	399	228	37
21 Travel and transportation of persons.....	476	476	122
22 Transportation of things.....	478	478	235
23 Rent, communications, and utilities.....	911	911	1
24 Printing and reproduction.....	4	4	
25 Other services.....	1,381	1,378	2
Services of other agencies.....	448	439	439
26 Supplies and materials.....	1,234	1,234	256
31 Equipment.....	3,339	3,479	2,190
32 Lands and structures.....	10,102	6,868	4,768
44 Refunds.....	25	25	25
Total obligations.....	24,925	18,196	8,800

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	664	664	64
Full-time equivalent of other positions.....	173	55	
Average number of all employees.....	767	299	64
Number of employees at end of year.....	926	64	64
Average GS grade.....	8.3	8.3	8.4
Average GS salary.....	\$6,724	\$7,305	\$7,474

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note.—Obligations incurred under allocations from other accounts are included in the schedules of the parent appropriation, "Contributed funds," Bureau of Land Management, Department of the Interior (trust fund).

NATIONAL BUREAU OF STANDARDS

GIFTS AND BEQUESTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Physics and electronics.....	2	1	1
2. Chemistry and metallurgy.....	35	48	43
3. Mechanics and engineering.....	17	37	30
4. General services.....	9	9	10
Total program costs.....	64	95	84
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....	—1		
Obligations incurred for costs of other years, net.....		1	
Total obligations (object class 25).....	63	96	84
Financing:			
Unobligated balance brought forward.....	93	98	62
Receipts.....	69	60	60
Unobligated balance carried forward.....	—98	—62	—38
Total financing.....	63	96	84

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 as authorized by Public Law 84-940 (15 U.S.C. 278a).

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$1 thousand; 1960, \$0; 1961, \$1 thousand; 1962, \$1 thousand.

WEATHER BUREAU

SPECIAL STATISTICAL WORK

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Meteorological statistical studies.....	33	42	45
2. Prior year advance returned.....	5		
Total obligations.....	38	42	45
Financing:			
Unobligated balance brought forward.....	13	7	10
Receipts.....	32	45	45
Unobligated balance carried forward.....	—7	—10	—10
Total financing.....	38	42	45

Payments are received from non-Government interests for the performance of special statistical studies, usually involving climatological data (49 Stat. 293).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	25	26	26
12 Personnel benefits.....	1	1	1
23 Rent, communications, and utilities.....	6	6	7
25 Other services.....	1	1	3
26 Supplies and materials.....	1	2	2
44 Refunds.....	5	6	6
Total obligations.....	38	42	45

Personnel Summary

Average number of all employees.....	7	7	7
Number of employees at end of year.....	4	4	5

DEPARTMENT OF DEFENSE—MILITARY
OPERATION AND MAINTENANCE

ARMY TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Kermit Roosevelt fund, Army.....	1	1	1
2. General gift fund, Army.....	12	10	15
3. Advances for supplies and expenses, United Nations Korean Reconstruction Agency, Army.....	4		
4. National Guard armory construction, State-contributed funds, Army.....	2		
Total obligations.....	20	12	17
Financing:			
Unobligated balance brought forward:			
Cash.....	156	154	154
U.S. securities (par).....	32	32	32
Receipts:			
Kermit Roosevelt fund, Army.....	1	1	1
Transportation, International Refugee Organization.....	3		
General gift fund, Army.....	13	10	11
Unobligated balance carried forward:			
Cash.....	-154	-154	-150
U.S. securities (par).....	-32	-32	-32
Total financing.....	20	12	17

1. *Kermit Roosevelt fund, Army.*—Proceeds of this fund are used for fostering better understanding and a closer relationship between the military forces of the United States and the United Kingdom through an exchange of eminent lecturers selected by the Chiefs of Staffs of the United States and United Kingdom (5 U.S.C. 224-228).

2. *General gift fund, Army.*—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. 150q-t).

Bequest of Maj. Gen. Fred C. Ainsworth, Library, Walter Reed Hospital, Army.—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). The obligations are less than \$500 per year.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
21 Travel and transportation of persons.....	1	1	1
25 Other services.....	6	5	10
31 Equipment.....	7	6	6
32 Lands and structures.....	2		
44 Refunds.....	4		
Total obligations.....	20	12	17

NAVY TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Naval reservation, Olongapo civic fund.....	414		
2. Naval Academy general gift fund.....	23	3	3
3. Naval Academy museum fund.....		1	1
4. General gift fund, Navy.....	2	129	232
5. Ships' stores profits, Navy.....	7,631	4,000	4,000
6. U.S.S. <i>Arizona</i> memorial fund.....	237	9	
Total obligations.....	8,307	4,142	4,236
Financing:			
Unobligated balance brought forward:			
Cash.....	2,554	1,279	1,701
U.S. securities (par).....	210	210	210
Receipts:			
Naval reservation, Olongapo civic fund:			
Taxes.....	385		
Naval Academy general gift fund:			
Contributions.....	18	7	
Interest.....	3	3	3
Naval Academy museum fund:			
Contributions.....	1		
Interest.....	1	1	1
General gift fund, Navy: Contributions.....		530	10
Office of Naval Records and History fund:			
Interest.....	1	1	1
Royalties.....	22	22	22
Ships' stores profits, Navy.....	6,355	4,000	4,000
U.S.S. <i>Arizona</i> memorial fund: Contributions.....	246		
Unobligated balance carried forward:			
Cash.....	-1,279	-1,701	-1,502
U.S. securities (par).....	-210	-210	-210
Total financing.....	8,307	4,142	4,236

1. *Naval reservation, Olongapo civic fund.*—Administrative control and custody of this function was transferred from the Department of the Navy to the Republic of the Philippines on December 7, 1959, and collections for use in the trust fund were discontinued as of that date.

2-4. *Gift funds.*—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. 2601, 6973-6974).

5. *Ships' stores profits, Navy.*—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 (10 U.S.C. 7604; 31 U.S.C. 725s(68)).

DEPARTMENT OF DEFENSE—MILITARY—Con.

OPERATION AND MAINTENANCE—Continued

NAVY TRUST FUNDS—Continued

6. *U.S.S. Arizona memorial fund.*—This fund accepts contributions for the construction and maintenance of a memorial and museum on the hulk of the U.S.S. *Arizona* or at adjacent U.S. property at Pearl Harbor, Hawaii (Public Law 344, 85th Cong.).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	673	138	232
26 Supplies and materials.....	7,634	4,004	4,004
Total obligations.....	8,307	4,142	4,236

GENERAL GIFT FUND, AIR FORCE

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Purchase of paintings for Air Force Academy.....	7	7	7
2. Air Force Academy cadet awards program.....	1		
3. Memorial plaques for Academy buildings.....	1		
4. Air Force Academy general gift fund.....		2	
Total obligations.....	9	9	7
Financing:			
Unobligated balance brought forward:			
Cash.....	40	33	24
U.S. securities (par).....		5	5
Receipts:			
Gift from H. Jay Boots.....	5		
Gift from Air Force Association.....	1		
Unobligated balance carried forward:			
Cash.....	-33	-24	-17
U.S. securities (par).....	-5	-5	-5
Total financing.....	9	9	7

Gifts or bequests, some of which are limited to specific purposes by the donors, are used by the Air Force Academy.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	1	1	
31 Equipment.....	8	8	7
Total obligations.....	9	9	7

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction:			
(a) Where required for an authorized Federal project:			
(1) Contributed funds.....	6,143	4,665	9,206
(2) Advanced funds.....	26	6	
(b) Where not required for an authorized Federal project (contributed funds).....			
	5,330	6,366	7,279
2. Maintenance (contributed funds).....	191	76	36
3. Returned to contributing interests (contributed funds).....	150	246	
Total program costs.....	11,840	11,359	16,521
4. Relation of costs to obligations			
Costs financed from obligations of other years, net (-).....			
			-2,541
Obligations incurred for costs of other years, net.....			
	479	373	
Total obligations.....	12,319	11,732	13,980
Financing:			
Unobligated balance brought forward.....	5,521	5,376	1,913
Receipts (contributions and advances from local interests).....	12,174	8,269	12,473
Unobligated balance carried forward.....	-5,376	-1,913	-406
Total financing.....	12,319	11,732	13,980

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, 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 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.....	3,458	3,965	4,338	1,797
(2) Advanced funds.....	28			
Total selected resources at end of year.....	3,486	3,965	4,338	1,797
Selected resources at start of year (-).....				
		-3,486	-3,965	-4,338
Costs financed from obligations of other years, net (-).....				
				-2,541
Obligations incurred for costs of other years, net.....				
		479	373	

Object Classification (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	449	484	516
Positions other than permanent.....	1	5	5
Other personnel compensation.....	12	11	9
Total personnel compensation.....	462	500	530
12 Personnel benefits: Civilian.....	30	36	38
21 Travel and transportation of persons.....	7	7	7
24 Printing and reproduction.....	1	1	1
25 Other services.....	521	500	575
Services of—			
Other agencies.....	7	1	1
"Revolving fund, Corps of Engineers—Civil".....	111	100	120
26 Supplies and materials.....	3	3	3
32 Lands and structures.....	11,027	10,338	12,705
44 Refunds.....	150	246	-----
Total obligations.....	12,319	11,732	13,980

Personnel Summary			
Total number of permanent positions.....	78	78	83
Full-time equivalent of other positions.....	-----	1	1
Average number of all employees.....	70	71	76
Number of employees at end of year.....	72	73	78
Average GS grade.....	7.6	7.6	7.6
Average GS salary.....	6,326	6,824	6,848
Average salary of ungraded positions.....	5,577	5,687	5,747

ADVANCES AND REIMBURSEMENTS, CORPS OF ENGINEERS—CIVIL (TRUST FUND)

Program and Financing (in thousands of dollars)			
	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Consultant services (Department of State) (total obligations) (object class 25).....	1	-----	-----
Financing:			
Unobligated balance brought forward.....	1	-----	-----

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 chapter in part II, p. 602.

SOLDIERS' HOME PERMANENT FUND

Amounts Available for Transfer (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Unappropriated balance brought forward.....	91,527	90,733	94,479
Receipts:			
Stoppages, fines, and forfeitures.....	5,652	5,100	4,600
Estates of deceased soldiers and airmen.....	33	28	28
Withheld pay.....	1,497	1,615	1,616
Interest credited.....	2,763	2,900	3,100
All other.....	103	15	15
Unobligated balance returned.....	179	-----	-----
Total available.....	101,754	100,391	103,838

Amounts Available for Transfer (in thousands of dollars)—Continued			
	1960 actual	1961 estimate	1962 estimate
Transferred to—			
"Limitation on operation and maintenance and capital outlay":			
Authorized.....	-11,008	-5,664	-6,052
Proposed increase due to pay increases:			
Classified.....	-----	-124	-----
Wage board.....	-----	-111	-----
"Payment of certified claims".....	-13	-13	-13
Balance carried forward.....	90,733	94,479	97,773

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 Operation and maintenance and capital outlay limitation only as enacted annually by Congress (24 U.S.C. 44-45; 31 U.S.C. 725s).

PAYMENT OF CLAIMS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of certified claims (total obligations) (object class 44).....	13	13	13
Financing:			
Receipts from "Soldiers' Home permanent fund".....	13	13	13

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).

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) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Sales program: Purchase of commodities for sale.....	107	115	127
Receipts from operations (funds provided):			
Sales program: Revenue.....	115	120	130
Trust expenditures.....	-8	-5	-3

DEPARTMENT OF DEFENSE—CIVIL—Continued

UNITED STATES SOLDIERS' HOME—Continued

UNITED STATES SOLDIERS' HOME REVOLVING FUND—Continued

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Revenue.....	115	120	130
Expense.....	115	120	130
Net operating income.....			
Retained earnings, beginning and end of year...	1	1	1

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	46	51	54
Accounts receivable, net.....	1	1	1
Commodities for sale.....	98	93	90
Total assets.....	145	145	145
Liabilities:			
Current.....	2	2	2
Net trust investment:			
Start of year.....	155	142	142
Writeoff of condemned property.....	-13		
End of year.....	142	142	142
Retained earnings.....	1	1	1
Total trust investment.....	143	143	143

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
24 Printing and reproduction.....	1	1	1
26 Supplies and materials.....	95	102	113
31 Equipment.....	11	12	13
Total obligations.....	107	115	127

RYUKYU ISLANDS, ARMY

PROCEEDS OF REMITTANCES TO AND EXPORTS FROM RYUKYU ISLANDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	220		
Recovery of prior year obligations.....	1		
Deposited to miscellaneous receipts.....	-221		
Total financing.....			

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FREEDMEN'S HOSPITAL

GIFT FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Conditional gifts.....		1	
2. Unconditional gifts.....	5	2	
Total program costs—obligations.....	5	4	
Financing:			
Unobligated balance brought forward.....	8	4	
Receipts: Unconditional gift fund.....	1		
Unobligated balance carried forward.....	-4		
Total financing.....	5	4	

This trust fund is maintained to account for gifts to Freedmen's Hospital (55 Stat. 187).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Other personnel compensation.....	5		
26 Supplies and materials.....	1		
31 Equipment.....		4	
Total obligations.....	5	4	

PUBLIC HEALTH SERVICE

PUBLIC HEALTH SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Patients' benefits.....	34	30	30
2. Unconditional gifts.....	18	5	5
3. Conditional gifts.....	100	50	25
4. Special statistical work.....	1	85	10
5. Construction and maintenance of Indian sanitation facilities.....		405	405
Total program costs.....	153	575	475
6. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-15		
Total obligations.....	138	575	475

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward:			
Cash.....	174	84	95
U.S. securities (par).....	78	148	148
Receipts:			
Patients' benefits.....	39	35	35
Unconditional gifts.....	28	20	21
Conditional gifts:			
Contributions.....	38	45	23
Interest.....	3	5	2
Special statistical work.....	10	76	10
Construction and maintenance of Indian sanitation facilities.....		405	405
Unobligated balance carried forward:			
Cash.....	-84	-95	-116
U.S. securities (par).....	-148	-148	-148
Total financing.....	138	575	475

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 Public Health Service hospitals, and for research or other activities of the Service (42 U.S.C. 219).

6. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$32 thousand; 1960, \$17 thousand; 1961, \$17 thousand; 1962, \$17 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	22	18	10
Positions other than permanent.....	6	50	
Total personnel compensation.....	28	68	10
12 Personnel benefits.....	4	3	1
21 Travel and transportation of persons.....	6	8	1
22 Transportation of things.....		20	
23 Rent, communications, and utilities.....	14		
24 Printing and reproduction.....	2	2	1
25 Other services.....	37	279	271
26 Supplies and materials.....	25	179	176
31 Equipment.....	17	11	10
41 Grants, subsidies, and contributions.....	5	5	5
Total obligations.....	138	575	475

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	4	3	2
Full-time equivalent of other positions.....	2	11	
Average number of all employees.....	6	14	2
Number of employees at end of year.....	11	15	2
Average GS grade.....	7.3	9.7	9.0
Average GS salary.....	\$5,311	\$6,975	\$6,677

SAINT ELIZABETHS HOSPITAL

PATIENTS' BENEFIT FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Personal needs of indigent patients.....	1	1	1
2. Conditional gift fund.....	7	9	9
Total program costs—obligations.....	8	10	10

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	14	17	17
Receipts:			
Patients benefit fund.....	1	1	1
Conditional gift fund.....	10	9	9
Unobligated balance carried forward.....	-17	-17	-17
Financing applied to program.....	8	10	10

Donations are received and used for patients' benefits as provided by the donors (24 U.S.C. 165).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	7	9	9
26 Supplies and materials.....	1	1	1
Total obligations.....	8	10	10

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, pp. 671-673.

OFFICE OF THE SECRETARY

ADVANCES AND REIMBURSEMENTS (TRUST FUND)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Federal Council on Aging (total obligations).....	6	6	6
Financing:			
Advances and reimbursements from non-Federal sources: Federal old-age and survivors insurance trust fund (31 U.S.C. 691).....	6	6	6

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	5	6	6
31 Equipment.....	1		
Total obligations.....	6	6	6

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1	1	1
Average number of all employees.....	1	1	1
Number of employees at end of year.....	0	0	0
Average GS grade.....	8.0	8.0	8.0
Average GS salary.....	\$5,470	\$5,886	\$5,886

DEPARTMENT OF THE INTERIOR

BONNEVILLE POWER ADMINISTRATION

CONSTRUCTION OF ELECTRIC TRANSMISSION LINES AND SUBSTATIONS, CONTRIBUTIONS, BONNEVILLE POWER PROJECT

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Construction.....	461	500	520
2. Returned to donor.....	45		
Total program costs.....	506	500	520
3. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....			-90
Obligations incurred for costs of other years, net.....	21		
Total obligations.....	527	500	430
Financing:			
Unobligated balance brought forward.....	625	219	430
Receipts.....	121	711	
Unobligated balance carried forward.....	-219	-430	
Total financing.....	527	500	430

1. *Construction.*—Various public and private utilities advance funds to provide facilities which are not provided by the Administration under its customer service policy. These facilities are of benefit to the Government as well as to the customers and serve to promote greater efficiency 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.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$69 thousand; 1960, \$90 thousand; 1961, \$90 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	71	84	71
Positions other than permanent.....	1	8	5
Other personnel compensation.....	5	4	4
Total personnel compensation.....	77	96	80
12 Personnel benefits:			
Travel and transportation of persons.....	11	18	16
Transportation of things.....	4	3	3
Rent, communications, and utilities.....		1	
Other services.....	24	7	4
Services of other accounts.....	172	155	131
Supplies and materials.....	74	73	60
Lands and structures.....	115	100	90
Refunds.....	45	40	40
Total obligations.....	527	500	430

Personnel Summary

Total number of permanent positions.....	12	13	10
Full-time equivalent of other positions.....		1	1
Average number of all employees.....	11	14	11
Number of employees at end of year.....	12	15	12
Average GS grade.....	8.2	8.3	8.3
Average GS salary.....	\$6,742	\$7,327	\$7,331
Average salary of ungraded positions.....	\$6,581	\$6,887	\$6,889

BUREAU OF LAND MANAGEMENT

BUREAU OF LAND MANAGEMENT TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Contributed funds.....	739	361	365
2. Expenses, public survey work.....	51	70	70
3. Trustee funds, Alaska townsites.....	2	38	40
Total obligations.....	792	469	475
Financing:			
Unobligated balance brought forward.....	646	810	541
Receipts:			
Contributed funds.....	890	125	125
Expenses, public survey work.....	42	50	50
Trustee funds, Alaska townsites.....	24	25	25
Unobligated balance carried forward.....	-810	-541	-266
Total financing.....	792	469	475

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, for maintenance of access roads, for protection of public lands and other activities of the Bureau (43 U.S.C. 315h, 315i, 775; 74 Stat. 506).

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF LAND MANAGEMENT			
11 Personnel compensation:			
Permanent positions.....	32	31	31
Positions other than permanent.....	88	77	78
Total personnel compensation.....	120	108	109
12 Personnel benefits:			
Travel and transportation of persons.....	11	9	9
Transportation of things.....	9	14	14
Rent, communications, and utilities.....	2	2	2
Printing and reproduction.....		1	1
Other services.....	1	3	3
Supplies and materials.....	197	208	210
Equipment.....	158	116	120
Lands and structures.....	7	8	7
Total, Bureau of Land Management.....	506	469	475
ALLOCATION TO BUREAU OF PUBLIC ROADS			
11 Personnel compensation:			
Permanent positions.....	102		
Positions other than permanent.....	1		
Other personnel compensation.....	3		
Total personnel compensation.....	106		
12 Personnel benefits:			
Travel and transportation of persons.....	10		
Transportation.....	2		
Rent, communications, and utilities.....	2		
Other services: Services of other agencies.....	7		
Supplies and materials.....	71		
	20		

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION TO BUREAU OF PUBLIC ROADS—Continued			
32 Lands and structures.....	68		
Total, Bureau of Public Roads.....	286		
Total obligations.....	792	469	475

Personnel Summary

BUREAU OF LAND MANAGEMENT			
Full-time equivalent of other positions.....	21	21	21
Average number of all employees.....	26	24	24
Number of employees at end of year.....	44	42	42
ALLOCATION TO BUREAU OF PUBLIC ROADS			
Total number of permanent positions.....	19		
Full-time equivalent of other positions.....	1		
Average number of all employees.....	18		
Number of employees at end of year.....	10		
Average GS grade.....	8.3		
Average GS salary.....	\$6,724		

BUREAU OF INDIAN AFFAIRS

INDIAN MONEYS, PROCEEDS OF LABOR, AGENCIES, SCHOOLS, ETC.

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Support of schools.....	138	279	103
2. Support of agency functions.....	2,221	1,556	1,545
3. Property or services transferred out without charge, net.....	289	437	402
Total program costs.....	2,648	2,272	2,050
4. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-2		
Total obligations.....	2,646	2,272	2,050
Financing:			
Unobligated balance brought forward.....	1,113	1,415	1,219
Receipts.....	2,948	2,076	2,033
Unobligated balance carried forward.....	-1,415	-1,219	-1,202
Total financing.....	2,646	2,272	2,050

Miscellaneous revenue 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 (in thousands of dollars):

	1959 actual	1960 actual	1961 estimate	1962 estimate
Selected resources at end of year: Inventories and items on order:				
Stores (goods unconsumed by projects).....	156	153	153	153
Unpaid undelivered orders (appropriation balances obligated for goods and services on order not yet received).....	101	90	90	90
Advances (payments for goods and services on order not yet received).....	1	1	1	1
Work in progress (goods and services to be costed to activities when completed).....	3	15	15	15
Total selected resources at end of year.....	261	259	259	259
Selected resources at start of year (-).....		-261	-259	-259
Costs financed from obligations of other years, net (-).....		-2		

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	824	780	743
Positions other than permanent.....	76	43	40
Other personnel compensation.....	110	98	98
Total personnel compensation.....	1,010	921	881
12 Personnel benefits.....	90	88	84
21 Travel and transportation of persons.....	38	52	50
22 Transportation of things.....	389	134	132
23 Rent, communications, and utilities.....	258	250	240
24 Printing and reproduction.....	3	1	1
25 Other services.....	100	102	94
Services of other agencies.....	39	36	36
26 Supplies and materials.....	666	642	489
31 Equipment.....	74	51	48
41 Grants, subsidies, and contributions.....	3	3	3
42 Insurance claims and indemnities.....	1	1	1
Subtotal.....	2,671	2,281	2,059
Deduct quarters and subsistence charges.....	25	9	9
Total obligations.....	2,646	2,272	2,050

Personnel Summary

Total number of permanent positions.....	183	166	156
Full-time equivalent of other positions.....	16	8	7
Average number of all employees.....	181	162	152
Number of employees at end of year.....	267	239	229
Average GS grade.....	3.8	4.1	4.1
Average GS salary.....	\$4,164	\$4,624	\$4,638
Average salary of ungraded positions.....	\$5,124	\$5,516	\$5,560

INDIAN TRIBAL FUNDS

Note.—The supporting detail of the above item is shown in the Department of the Interior chapter in pt. II, p. 729.

BUREAU OF RECLAMATION

RECLAMATION TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. General investigations.....	99	309	165

DEPARTMENT OF THE INTERIOR—Continued

BUREAU OF RECLAMATION—Continued

RECLAMATION TRUST FUNDS—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
2. Construction and operation and maintenance:			
(a) Gila project, Arizona.....	24		
(b) All-American Canal, Coachella division, Arizona-California.....		10	
(c) Central Valley project, California.....			27
(d) Collbran project, Colorado.....			1
(e) Colorado-Big Thompson project, Colorado.....	1	20	
(f) Boise project, Idaho.....	8	6	5
(g) Michaud Flats project, Idaho.....	1	1	
(h) North Platte project, Nebraska-Wyoming.....	2	4	
(i) Middle Rio Grande project, New Mexico.....	152	103	130
(j) Rio Grande project, New Mexico-Texas.....	6	13	
(k) Columbia Basin project, Washington.....	5	5	
(l) Yakima project, Washington.....	12	1	
(m) Advance planning.....	7	3	
(n) Missouri River Basin.....	113	157	2
(o) Soil and moisture conservation operations.....	12	10	11
(p) Other.....	22	16	
3. Prior year receipts returned.....	18	4	
Total program costs.....	482	662	341
4. Relation of costs to obligations:			
Costs financed from obligations of other years, net (-).....		-20	
Obligations incurred for costs of other years, net.....	13		
Total obligations.....	495	642	341
Financing:			
Unobligated balance brought forward.....	123	154	1
Receipts.....	526	489	341
Unobligated balance carried forward.....	-154	-1	-1
Total financing.....	495	642	341

The Bureau of Reclamation makes investigations or adds construction features to its own projects when requested and financed by non-Federal entities (43 U.S.C. 395, 396).

4. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$7 thousand; 1960, \$20 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	87	126	6
Positions other than permanent.....	38	50	50
Other personnel compensation.....	1	2	
Total personnel compensation.....	126	178	56
12 Personnel benefits.....	4	11	2
21 Travel and transportation of persons.....	8	5	
25 Other services.....	104	80	66
Services of "General investigations".....	102	306	165
26 Supplies and materials.....	58	34	25
31 Equipment.....	1	2	
32 Lands and structures.....	73	22	27
44 Refunds.....	18	4	
Total obligations.....	495	642	341

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	19	19	
Full-time equivalent of other positions.....	6	9	9
Average number of all employees.....	19	28	10
Number of employees at end of year.....	15	4	0
Average GS grade.....	7.5	7.5	7.5
Average GS salary.....	\$6,223	\$6,667	\$6,708
Average salary of ungraded positions.....	\$5,500	\$5,705	\$5,788

GEOLOGICAL SURVEY

ADVANCES, AUTHORIZED SERVICES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Surveys, investigations, and research (total obligations) (object class 25).....	2,017	2,000	2,000
Financing:			
Unobligated balance brought forward.....	597	463	463
Receipts.....	1,883	2,000	2,000
Unobligated balance carried forward.....	-463	-463	-463
Total financing.....	2,017	2,000	2,000

Approximately 35 States or their political subdivisions advance money for cooperative surveys, investigations, and research of the Geological Survey. Such advances are used to reimburse the appropriation Surveys, investigations, and research, Geological Survey, as work is performed (43 U.S.C. 48).

BUREAU OF MINES

CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Bituminous coal.....	152	106	98
2. Petroleum, natural gas, and oil shale.....	212	202	204
3. Ferrous metals.....	581	455	60
4. Nonferrous metals.....	99	63	50
5. Nonmetallic minerals.....	20	25	12
6. Inspections, investigations, and rescue work.....	1	2	2
7. Control of fires in coal deposits.....	93	358	110
Total program costs.....	1,158	1,211	536
8. Relation of costs to obligations: Costs financed from obligations of other years, net (-).....	-21		
Total obligations.....	1,137	1,211	536
Financing:			
Unobligated balance brought forward.....	340	102	91
Receipts.....	899	1,200	525
Unobligated balance carried forward.....	-102	-91	-80
Total financing.....	1,137	1,211	536

Funds contributed by States, counties, municipalities, and private sources are used to conduct research and investigations to promote (a) the conservation and devel-

opment of mineral resources and (b) health and safety in the mineral industries (Department of the Interior and Related Agencies Appropriation Act, 1961).

8. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$118 thousand; 1960, \$97 thousand; 1961, \$97 thousand; 1962, \$97 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	709	600	314
Positions other than permanent.....	41	35	22
Other personnel compensation.....	11	7	2
Total personnel compensation.....	761	642	338
12 Personnel benefits.....	58	55	27
21 Travel and transportation of persons.....	11	8	6
22 Transportation of things.....	2	2	1
23 Rent, communications, and utilities.....	11	9	4
24 Printing and reproduction.....	1	1	1
25 Other services.....	189	416	125
26 Supplies and materials.....	88	64	28
31 Equipment.....	16	14	6
Total obligations.....	1,137	1,211	536

Personnel Summary

Total number of permanent positions.....	118	114	60
Full-time equivalent of other positions.....	8	7	5
Average number of all employees.....	122	99	52
Number of employees at end of year.....	119	108	56
Average GS grade.....	8.0	8.1	8.1
Average GS salary.....	\$6,560	\$7,124	\$7,216
Average salary of ungraded positions.....	\$5,384	\$5,560	\$5,585

NATIONAL PARK SERVICE

NATIONAL PARK SERVICE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Operating costs:			
1. National Park Service, donations.....	183	233	202
2. National Park trust fund.....	2		
3. Preservation, birthplace of Abraham Lincoln.....	1	2	1
Total operating costs.....	186	235	203
Capital outlay:			
1. National Park Service, donations.....	400	557	808
4. Jefferson National Expansion Memorial, contribution.....	298	1,950	3,400
Total capital outlay.....	698	2,507	4,208
Total program costs.....	884	2,742	4,411
5. Relation of costs to obligations:			
Costs financed from obligations of other years, net (—).....		—1,075	—660
Obligations incurred for costs of other years, net.....	1,790		
Total obligations.....	2,674	1,667	3,751

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward: Appropriated receipts:			
Cash.....	2,271	883	407
U.S. securities (par).....	84	84	84
Receipts:			
National Park Service, donations.....	231	200	700
National Park trust fund.....	4	5	5
Preservation, birthplace of Abraham Lincoln.....	2	2	2
Jefferson National Expansion Memorial, contribution.....	1,050	984	2,836
Unobligated balance carried forward: Appropriated receipts:			
Cash.....	—883	—407	—199
U.S. securities (par).....	—84	—84	—84
Total financing.....	2,674	1,667	3,751

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 \$231 thousand were received from 53 contributors during 1960. It is estimated that \$200 thousand will be received during 1961 and \$700 thousand during 1962, of which about \$500 thousand will be for the purpose of acquiring private inholdings within the National Park System.

2. *National park trust fund.*—The National Park Trust Fund Board holds and administers gifts of personal property for the benefit of, or in connection with, the National Park Service. Interest accruals or donations to the fund are used for current needs, or invested in United States 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 Birthplace National Historic Site, Ky. (16 U.S.C. 211, 212).

4. *Jefferson National Expansion Memorial, contribution.*—Pursuant to the act of May 17, 1954 (68 Stat. 98–100), as amended, the Secretary of the Interior is authorized to construct upon the Jefferson National Expansion Memorial National Historic Site, St. Louis, Mo., an appropriate national memorial to those persons who made possible the territorial expansion of the United States. Contributions are accepted from the city of St. Louis or other non-Federal sources in the ratio of \$1 to each \$3 of Federal appropriations.

5. *Relation of costs to obligations.*—Year-end balances of unpaid undelivered orders are as follows: 1959, \$380 thousand; 1960, \$2,170 thousand; 1961, \$1,095 thousand; 1962, \$435 thousand.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	54	60	42
Positions other than permanent.....	66	30	15
Other personnel compensation.....	2		
Total personnel compensation.....	122	90	57

DEPARTMENT OF THE INTERIOR—Continued

NATIONAL PARK SERVICE—Continued

NATIONAL PARK SERVICE TRUST FUNDS—Continued

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
12 Personnel benefits.....	5	6	4
21 Travel and transportation of persons.....	13	19	10
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	3	3	1
24 Printing and reproduction.....	23	42	22
25 Other services.....	41	57	29
26 Supplies and materials.....	11	77	4
31 Equipment.....	35	67	121
32 Lands and structures.....	2,419	1,305	3,502
44 Refunds.....	1		
Total obligations.....	2,674	1,667	3,751

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	15	6	6
Full-time equivalent of other positions.....	17	9	4
Average number of all employees.....	28	18	11
Number of employees at end of year.....	11	4	4
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,255	\$6,767	\$6,791
Average salary of ungraded positions.....	\$4,705	\$4,893	\$4,882

FISH AND WILDLIFE SERVICE

BUREAU OF SPORT FISHERIES AND WILDLIFE

CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Cooperative studies (total obligations).....	64	137	88
Financing:			
Unobligated balance brought forward.....	82	36	
Unobligated balance transferred to "Contributed funds," Bureau of Commercial Fisheries (70 Stat. 1120).....	-65		
Receipts.....	83	101	88
Unobligated balance carried forward.....	-36		
Total financing.....	64	137	88

This represents contributions from States, local organizations, individuals, etc., for the work of the Bureau of Sport Fisheries and Wildlife (5 U.S.C. 563, 564; 16 U.S.C. 661).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	32	37	38
Positions other than permanent.....	15	24	10
Other personnel compensation.....		1	1
Total personnel compensation.....	47	62	49
12 Personnel benefits.....	3	3	3
21 Travel and transportation of persons.....	1	9	3
22 Transportation of things.....		3	1
23 Rent, communications, and utilities.....		15	8
25 Other services.....	4	16	9

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
26 Supplies and materials.....	8	25	11
31 Equipment.....	1	4	4
Total obligations.....	64	137	88

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	7	6	6
Full-time equivalent of other positions.....	3	3	3
Average number of all employees.....	9	9	9
Number of employees at end of year.....	9	8	8
Average GS grade.....	7.9	7.9	7.9
Average GS salary.....	\$6,088	\$6,568	\$6,592
Average salary of ungraded positions.....	\$4,240	\$4,329	\$4,329

BUREAU OF COMMERCIAL FISHERIES

CONTRIBUTED FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Cooperative studies.....	115	102	28
2. Sea lamprey control program.....	723	850	819
Total obligations.....	838	952	847
Financing:			
Unobligated balance brought forward.....	13	105	
Unobligated balance transferred from "Contributed funds," Bureau of Sport Fisheries and Wildlife (70 Stat. 1119).....	65		
Receipts:			
Great Lakes Fishery Commission.....	760	819	819
Other cooperators.....	105	28	28
Unobligated balance carried forward.....	-105		
Total financing.....	838	952	847

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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	378	380	393
Positions other than permanent.....	68	68	67
Other personnel compensation.....	5	3	2
Total personnel compensation.....	451	451	462
12 Personnel benefits.....	24	34	34
21 Travel and transportation of persons.....	63	65	58
22 Transportation of things.....	4	2	2
23 Rent, communications, and utilities.....	24	24	23
24 Printing and reproduction.....	7	7	11
25 Other services.....	68	131	54
26 Supplies and materials.....	157	191	187
31 Equipment.....	40	16	16
44 Refunds.....		31	
Total obligations.....	838	952	847

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	79	69	69
Full-time equivalent of other positions.....	16	16	16
Average number of all employees.....	88	83	83
Number of employees at end of year.....	107	119	120
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,695	\$6,720
Average salary of ungraded positions.....	\$3,854	\$4,005	\$4,180

INSPECTION AND GRADING OF FISHERY PRODUCTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Inspection and grading of fishery products (total obligations).....	249	337	337
Financing:			
Unobligated balance brought forward.....	37	50	50
Receipts.....	262	337	337
Unobligated balance carried forward.....	-50	-50	-50
Total financing.....	249	337	337

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).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	196	266	273
Other personnel compensation.....	20	18	17
Total personnel compensation.....	216	284	290
12 Personnel benefits.....	12	21	22
21 Travel and transportation of persons.....	9	14	11
22 Transportation of things.....	1		
23 Rent, communications, and utilities.....	4	3	3
24 Printing and reproduction.....	1	1	1
25 Other services.....	3	6	4
26 Supplies and materials.....	2	6	5
31 Equipment.....	1	2	1
Total obligations.....	249	337	337

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	42	49	49
Average number of all employees.....	39	48	48
Number of employees at end of year.....	42	49	49
Average GS grade.....	7.8	8.0	8.0
Average GS salary.....	\$6,066	\$6,995	\$7,020

DEPARTMENT OF JUSTICE

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION

ALIEN PROPERTY ACTIVITIES

Note.—The supporting detail of the above item is reflected under "Salaries and expenses, general administration," legal activities and general administration, in the Department of Justice chapter in part II, p. 798.

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.). At June 30, 1960, there had been transferred to the War claims fund \$228.7 million. In 1960, a total of \$6.2 million in claims and settlements was made from such property operations and it is anticipated that \$2 million will be paid in 1961 and \$1.8 million in 1962. Interest in vested property is estimated to be \$181.4 million at June 30, 1962, decreasing \$3.7 million from 1961 and \$7.6 million from 1960.

Sources and Application of Funds (operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges.....	16,882	5,900	5,170
Safekeeping property operations: Charges.....	59	15	12
Increase in selected working capital.....		3,089	
Total gross expenditures.....	16,941	9,004	5,182
Receipts from operations (funds provided):			
Vested property operations: Credits.....	10,040	6,050	4,900
Safekeeping property operations: Credits.....	7	6	5
Decrease in selected working capital.....	3,018		
Total receipts from operations.....	13,065	6,056	4,905
Trust expenditures.....	3,876	2,948	277

Changes in U.S. Interest in Vested Property (in thousands of dollars)

Credits:			
Receipts from sale and liquidation of assets.....	3,607	3,500	3,000
Income receipts.....	1,054	500	400
Administrative revenue and charges.....	5,198	2,000	1,500
Increase in unallocated receipts account.....	132	50	
Refund of war production royalties from U.S. Treasury.....	48		
Decrease in administrative expense for prior years.....	1		
Total cash credits.....	10,040	6,050	4,900
Charges:			
Administrative expense, net of reimbursements.....	1,451	650	690
Direct expense and taxes.....	3,284	1,000	1,000
Expense recovered by charges to vested accounts.....	5,173	2,000	1,500
Claims paid.....	5,624	1,500	1,500
Payments under International Claims Settlement Act to—			
U.S. Treasury.....	633	200	150
Individuals.....	46	25	10
Payments under intercustodial agreements.....	592	500	300
Advances to vested corporation.....	50		
Other disbursements.....	30	25	20
Total cash charges.....	16,882	5,900	5,170
Net decrease in vested assets due to sales liquidation and returns of property.....	1,536	4,000	3,500
Total charges.....	18,418	9,900	8,670
Net excess of charges (—).....	-8,378	-3,850	-3,770
Analysis of equity of U.S. Government:			
Equity, beginning of year.....	197,456	189,079	185,228
Equity, end of year.....	189,079	185,228	181,458

DEPARTMENT OF JUSTICE—Continued

LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued

ALIEN PROPERTY ACTIVITIES—Continued

ALIEN PROPERTY FUND, WORLD WAR II (TRUST REVOLVING FUND)—continued

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	137,202	134,254	133,978
Accounts receivable, net.....	10	8	7
Vested assets (estimate ¹).....	55,302	51,302	47,802
Safekeeping property (estimate).....	543	533	523
Total assets.....	193,057	186,097	182,310
Liabilities:			
Current.....	92	50	50
Deferred and undistributed credit.....	3,048		
Liability for safekeeping property.....	838	819	802
Total liabilities.....	3,978	869	852
Equity of U.S. Government:			
Interest in vested property ²	189,079	185,228	181,458

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 or 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 section 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 1960 no transfers were made to the Philippine Government; it is anticipated that \$1 million will be transferred in 1961 and \$1.5 million in 1962. The following statements include the U.S. dollar equivalent of currencies of the Philippines which become available without dollar purchase.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges.....	635	1,021	1,530
Receipts from operations (funds provided):			
Vested property operations: Credits.....	43	25	5
Decrease in selected working capital.....	571	751	10
Total receipts from operations.....	614	776	15
Trust expenditures.....	20	245	1,515

Changes in U.S. Interest in Vested Property (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Credits: Income receipts (cash).....	43	25	5
Charges:			
Claims paid.....	615	1	10
Transfers to Philippine Government.....		1,000	1,500
Direct expense not allocated.....	20	20	20
Total cash charges.....	635	1,021	1,530

Changes in U.S. Interest in Vested Property (in thousands of dollars)—Con.

	1960 actual	1961 estimate	1962 estimate
Charges—Continued			
Net decrease in vested assets due to liquidation, returns to claimants, and transfers to Philippine Government.....		25	25
Total charges.....	635	1,046	1,555
Net excess of charges (—).....	—591	—1,021	—1,550
Analysis of equity of U.S. Government:			
Equity, beginning of year.....	4,830	4,239	3,218
Equity, end of year.....	4,239	3,218	1,668

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	3,230	2,986	1,471
Cash in banks and on hand.....	854	100	90
Vested assets ¹	157	132	107
Total assets.....	4,242	3,218	1,668
Liabilities:			
Current.....	3		
Equity of U.S. Government:			
Interest in vested property ²	4,239	3,218	1,668

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 pursuant to the Philippine Property Act of 1946.

INTERNATIONAL CLAIMS SETTLEMENT ACT, TITLE II FUND (TRUST REVOLVING 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, 1960, a total of \$26.2 million had been vested and liquidated. Funds thus realized are earmarked for payment of war damages and nationalization claims assertable by U.S. nationals against Bulgaria, Hungary, and Rumania. A total of \$24.4 million already has been covered into the Treasury.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Vested property operations: Charges.....	895	766	1,005
Increase in selected working capital.....	11		
Total gross expenditures.....	906	766	1,005
Receipts from operations (funds provided):			
Vested property operations: Credits.....	182	102	
Trust expenditures.....	724	664	1,005

Changes in U.S. Interest in Vested Property (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Credits:			
Receipts from sale and liquidation of assets.....	179	100	
Income receipts.....	3	2	
Total cash credits.....	182	102	

Changes in U.S. Interest in Vested Property (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Charges:			
Transfers to—			
Bulgarian claims fund.....	90	50	-----
Hungarian claims fund.....	533	600	980
Rumanian claims fund.....	181	100	-----
Claims paid.....	88	13	23
Expense.....	2	3	2
Total cash charges.....	895	766	1,005
Net decrease in vested assets due to sales and liquidations.....	77	162	-----
Total charges.....	972	928	1,005
Net excess of charges (--).....	-790	-826	-1,005
Analysis of equity of U.S. Government:			
Equity, beginning of year.....	2,621	1,831	1,005
Equity, end of year.....	1,831	1,005	-----

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	1,670	1,006	-----
Vested assets ¹	163	-----	-----
Total assets.....	1,832	1,006	-----
Liabilities:			
Current.....	1	1	-----
Equity of U.S. Government:			
Interest in vested property ²	1,831	1,005	-----

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 expense, 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, ALIEN PROPERTY ACTIVITIES

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations).....	26	-----	-----
Financing:			
Advances and reimbursements from other accounts.....	26	-----	-----

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	23	-----	-----
12 Personnel benefits.....	1	-----	-----
22 Transportation of things.....	1	-----	-----
26 Supplies and materials.....	1	-----	-----
Total obligations.....	26	-----	-----

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	3	-----	-----
Average number of all employees.....	3	-----	-----
Number of employees at end of year.....	0	-----	-----
Average GS grade.....	11.0	-----	-----
Average GS salary.....	\$7,537	-----	-----

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 items for personal use of inmates are used for general welfare and recreational items for the inmate. Sales for 1962 are estimated at \$2,165 thousand. Adequate working capital is assured from retained earnings.

Sources and Application of Funds (Operations) (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Gross expenditures (funds applied):			
Sales program:			
Acquisition of equipment.....	47	25	25
Expense:			
Purchase of commodities for sale.....	1,647	1,700	1,750
Other expense.....	363	375	390
Total gross expenditures.....	2,057	2,100	2,165
Receipts from operations (funds provided):			
Sales program and other income.....	2,034	2,100	2,165
Decrease in selected working capital.....	3	-----	-----
Total receipts from operations.....	2,031	2,100	2,165
Trust expenditures.....	26	-----	-----

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Sales program:			
Revenue.....	2,034	2,100	2,165
Expense.....	2,012	2,085	2,150
Net income for the year.....	22	15	15
Retained earnings, beginning of year.....	627	649	664
Retained earnings, end of year.....	649	664	679

Financial Condition (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Assets:			
Cash with Treasury.....	221	221	221
Accounts receivable, net.....	3	3	3
Commodities for sale.....	217	217	217
Structures and equipment, net.....	271	286	301
Total assets.....	712	727	742
Liabilities:			
Current.....	63	63	63
Government investment:			
Retained earnings.....	649	664	679

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	287	308	315
Other personnel compensation.....	9	9	8
Total personnel compensation.....	296	317	323
12 Personnel benefits.....	19	23	24
22 Transportation of things.....	2	2	2
23 Rent, communications, and utilities.....	8	10	10
25 Other services.....	11	11	11
26 Supplies and materials.....	1,681	1,704	1,762
31 Equipment.....	47	25	25
41 Grants, subsidies, and contributions.....	8	8	8
Total obligations.....	2,072	2,100	2,165

DEPARTMENT OF JUSTICE—Continued

FEDERAL PRISON SYSTEM—Continued

COMMISSARY FUNDS, FEDERAL PRISONS (TRUST REVOLVING FUND)—Continued

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	60	60	60
Average number of all employees.....	57	57	57
Number of employees at end of year.....	56	57	57
Average GS grade.....	6.2	6.1	6.1
Average GS salary.....	\$4,993	\$5,380	\$5,504
Average salary of ungraded positions.....	\$6,698	\$7,023	\$7,031

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

ADVANCES AND REIMBURSEMENTS (TRUST FUND)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Administration (total obligations).....	5	1	
Financing:			
Unobligated balance brought forward.....	6	1	
Unobligated balance carried forward.....	-1		
Total financing.....	5	1	

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Permanent positions.....	5	1	

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	1	1	
Number of employees at end of year.....	0	0	
Average GS grade.....	12.0	12.0	
Average GS salary.....	\$8,341	\$8,965	

BUREAU OF EMPLOYEES' COMPENSATION

BUREAU OF EMPLOYEES' COMPENSATION TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Longshoremen's and Harbor Workers' Compensation Act, as amended:			
(a) Payment of benefits.....	27	27	27
(b) Administration of rehabilitation.....	24	55	55
2. Workmen's Compensation Act, within the District of Columbia.....	6	5	5
Total obligations.....	57	87	87

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward:			
Cash.....	2	5	5
U.S. securities (par).....	840	816	763
Receipts:			
Relief and rehabilitation, Longshoremen's and Harbor Workers' Compensation Act, as amended:			
Contributions.....	6	7	7
Interest.....	22	19	18
Relief and rehabilitation, Workmen's Compensation Act within the District of Columbia:			
Contributions.....	4	4	4
Interest.....	4	4	4
Unobligated balance carried forward:			
Cash.....	-5	-5	-5
U.S. securities (par).....	-816	-763	-709
Total financing.....	57	87	87

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 1960 receipts were \$10 thousand and interest was \$26 thousand (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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation.....	16	44	44
12 Personnel benefits.....	1	3	3
21 Travel and transportation of persons.....	5	6	6
23 Rent, communications, and utilities.....	1	1	1
31 Equipment.....		1	1
42 Insurance claims and indemnities.....	33	32	32
Total obligations.....	57	87	87

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
Total number of permanent positions.....	7	7	7
Average number of all employees.....	7	7	7
Number of employees at end of year.....	7	7	7
Average GS grade.....	7.0	7.1	7.1
Average GS salary.....	\$5,750	\$6,344	\$6,344

ADVANCES AND REIMBURSEMENTS (TRUST FUND)

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Administration of the District of Columbia Workmen's Compensation Act.....	231	271	280
2. Miscellaneous services to other accounts.....	12		
Total program costs—obligations.....	243	271	280

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Advances and reimbursements from other accounts.....	243	271	280

Administration of the District of Columbia Workmen's Compensation Act.—Provision is made for administrative expenses involved in providing compensation for disability or death resulting from injury or death to certain employment in the District of Columbia.

WORKLOAD STATISTICS

	1959 actual	1960 actual	1961 estimate	1962 estimate
New injuries reported.....	27,968	27,546	27,600	28,200
Formal hearings.....	77	102	110	110
Informal conferences.....	1,180	1,224	1,250	1,300

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation:			
Permanent positions.....	204	230	238
Other personnel compensation.....	6	1	-----
Total personnel compensation.....	210	231	238
12 Personnel benefits.....	17	17	18
23 Rent, communications, and utilities.....	5	6	6
24 Printing and reproduction.....	1	3	3
25 Other services.....	8	9	9
26 Supplies and materials.....	1	2	3
31 Equipment.....	-----	3	3
Total obligations.....	243	271	280

Personnel Summary

Total number of permanent positions.....	39	43	45
Average number of all employees.....	38	42	44
Number of employees at end of year.....	39	42	44
Average GS grade.....	5.6	5.6	5.5
Average GS salary.....	\$5,144	\$5,530	\$5,465

BUREAU OF LABOR STATISTICS

SPECIAL STATISTICAL WORK

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Bituminous mine supply price index.....	2	-----	-----
2. Consumer price index for Milwaukee.....	9	12	-----
3. Department store inventory price index.....	20	25	9
4. Survey of mathematicians in private industry.....	3	-----	-----
5. Statistical training of a foreign trainee for Institute of International Education.....	1	-----	-----
Total program costs—obligations.....	35	37	9
Financing:			
Unobligated balance brought forward.....	13	11	9
Receipts from non-Federal sources (29 U.S.C. 9a-b).....	33	35	-----
Unobligated balance carried forward.....	-11	-9	-----
Total financing.....	35	37	9

Funds are advanced from sources outside the Federal Government to finance special statistical studies requested. During 1961, the Bureau will collect and analyze store inventory prices for the American Retail Federation and maintain a consumer price index for the city of Milwaukee (29 U.S.C. 9a, 9b).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
11 Personnel compensation: Positions other than permanent.....	27	30	8
12 Personnel benefits.....	2	2	1
21 Travel and transportation of persons.....	5	5	-----
Total obligations.....	35	37	9

Personnel Summary

Average number of all employees.....	5	4	2
Number of employees at end of year.....	5	4	2

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Payment to beneficiaries.....	3,131	4,265	5,285
2. Refunds and gratuities.....	200	200	200
Total obligations (cash outgo).....	3,331	4,465	5,485
Financing:			
Unobligated balance brought forward:			
Cash.....	281	203	214
U.S. securities (par).....	26,416	29,178	33,700
Receipts:			
Employer's contribution.....	2,360	2,540	3,080
Interest on investments.....	1,134	1,237	1,428
Employees' contributions.....	2,521	5,221	4,573
Unobligated balance carried forward:			
Cash.....	-203	-214	-210
U.S. securities (par).....	-29,178	-33,700	-37,300
Total financing.....	3,331	4,465	5,485

The fund is maintained through (a) contributions by participants, including all Foreign Service officers and eligible Foreign Service staff officers and employees; (b) interest on investments; and (c) Government (employer) contributions from appropriated funds. Participants contributed 5% of their basic annual salaries through October 15, 1960, when the rate became 6.5%. Government contributions were in the form of a specific appropriation for that purpose through 1961. Beginning in 1962, Government contributions will match participant contributions and will be paid from the same appropriations from which salaries are paid.

It is estimated that approximately 954 annuitants will be paid retirement benefits from this fund during 1962 compared with 625 at the end of 1960 and 822 at the end of 1961. Gratuities represent payments made to Foreign Service officers in classes 4, 5, 6, and 7 who are selected out of the Service.

DEPARTMENT OF STATE—Continued

ADMINISTRATION OF FOREIGN AFFAIRS—Continued

FOREIGN SERVICE RETIREMENT AND DISABILITY FUND—Con.

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
41 Grants, subsidies, and contributions (gratuities).....	11	10	10
42 Insurance claims and indemnities.....	3,131	4,265	5,285
44 Refunds.....	189	190	190
Total obligations.....	3,331	4,465	5,485

FOREIGN SERVICE INSTITUTE UNCONDITIONAL GIFT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Seminar in Africa (total obligations) (object class 44).....		2	
Financing:			
Unobligated balance brought forward.....		2	
Recovery of prior year obligations.....	2		
Unobligated balance carried forward.....	-2		
Total financing.....		2	

INDEMNIFICATION FUNDS, FOREIGN GOVERNMENTS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total obligations) (object class 42).....		180	
Financing:			
Receipts from Government of Iraq.....		180	

Moneys received by the Secretary of State from foreign governments and other sources are 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 1961 from the Government of Iraq were pursuant to a verbal agreement of February 23, 1959, between the United States and Iraq.

INFORMATIONAL FOREIGN CURRENCY SCHEDULES

Foreign Currency, Payment of Former German Prisoners of War

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of claims (total obligations) (object class 42).....	8	6	5

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	19	10	5
Unobligated balance carried forward.....	-10	-5	
Total financing.....	8	6	5

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).

Analysis of Expenditures (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Obligations incurred.....	8	6	5
Expenditures.....	8	6	5

Contributions by the Government of Pakistan for Construction of the United States Chancery

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Local office building project costs (total obligations) (object class 32).....	118	9	
Financing:			
Receipts (foreign currency advanced from the Government of Pakistan).....	118	9	

The Government of Pakistan 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 \$279 thousand.

Analysis of Expenditures (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Obligations incurred during year.....	118	9	
Expenditures.....	118	9	

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

GIFTS AND BEQUESTS, NATIONAL COMMISSION ON EDUCATIONAL, SCIENTIFIC, AND CULTURAL COOPERATION

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Conduct of diplomatic relations with international organizations (total obligations) (object class 40).....	19	17	10

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing:			
Unobligated balance brought forward.....	1	2	
Receipts.....	20	15	10
Unobligated balance carried forward.....	-2		
Total financing.....	19	17	10

This trust fund receives gifts or bequests of money from private individuals and organizations to be used to carry out any of the authorized educational, scientific, or cultural purposes of the United States National Commission for UNESCO. Gifts may be accepted only if the terms of gift are consistent with the purposes of the National Commission, and must be disbursed as the terms of the gift or bequest may require.

EDUCATIONAL EXCHANGE

EDUCATIONAL EXCHANGE TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Education of Iranian students in the United States.....		8	
2. U.S. dollars advanced from foreign governments.....	349	241	245
Total obligations.....	349	249	245
Financing:			
Unobligated balance brought forward.....	404	422	273
Receipts (U.S. dollars advanced from foreign governments, U.S. educational exchange program).....	365	100	100
Recovery of prior year obligations.....	2		
Unobligated balance carried forward.....	-422	-273	-128
Total financing.....	349	249	245

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. *U.S. 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 (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
DEPARTMENT OF STATE			
21 Travel and transportation of persons.....	25	25	25
41 Grants, subsidies, and contributions.....		8	
Total, Department of State.....	25	33	25

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
11 Personnel compensation:			
Permanent positions.....	217	161	172
Other personnel compensation.....	2	1	
Total personnel compensation.....	219	162	172
12 Personnel benefits.....	15	12	13
21 Travel and transportation of persons.....	7	2	2
22 Transportation of things.....	1	1	1
23 Rent, communications, and utilities.....	3	2	3
24 Printing and reproduction.....	7	5	5
25 Other services.....	42	19	10
26 Supplies and materials.....	6	4	4
31 Equipment.....	5	4	4
41 Grants, subsidies, and contributions.....	19	5	6
Total, allocation accounts.....	324	216	220
Total obligations.....	349	249	245
Obligations are distributed as follows:			
Department of State.....	25	33	25
Department of the Interior.....	311	215	220
Corps of Engineers—Civil.....	2	1	
Department of Agriculture.....	5		
Treasury Department.....	2		
Farm Credit Administration.....	4		

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
ALLOCATION ACCOUNTS			
Total number of permanent positions.....	34	23	25
Average number of all employees.....	30	21	25
Number of employees at end of year.....	17	23	22
Average GS grade.....	7.8	7.9	7.9
Average GS salary.....	\$6,238	\$6,705	\$6,705

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

FEDERAL DISABILITY INSURANCE TRUST FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Benefit payments.....	528,304	715,000	935,000
2. Administration.....	32,646	37,626	47,373
3. Refunds of excess taxes collected.....	9,750	10,000	10,000
Total obligations.....	570,700	762,626	992,373
Financing:			
Unobligated balance brought forward:			
Cash.....	59,747	66,352	66,054
U.S. securities (par).....	1,607,200	2,101,160	2,420,322
Gain from premium or discount on investments.....	-326	-298	-340
Receipts:			
Taxes.....	938,682	958,000	1,000,000
Deposits by States.....	58,147	67,000	68,000
Interest on investments.....	47,635	55,448	68,047
Payment from "Railroad retirement account".....	26,831	1,000	

TREASURY DEPARTMENT—Continued

OFFICE OF THE SECRETARY—Continued

FEDERAL DISABILITY INSURANCE TRUST FUND—Continued

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Financing—Continued			
Unobligated balance carried forward:			
Cash.....	-66,352	-66,054	-66,254
U.S. securities (par).....	-2,101,160	-2,420,322	-2,563,796
Gain from premium or discount on investments.....	298	340	340
Total financing.....	570,700	762,626	992,373

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).

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.

FEDERAL DISABILITY INSURANCE TRUST FUND

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Unexpended balance brought forward..	1,666,621	2,167,214	2,486,036
Cash income during year.....	1,071,294	1,081,448	1,136,047
Cash outgo during year:			
For benefit payments.....	528,304	715,000	935,000
Deposit to miscellaneous receipts....	3,140	3,573	3,650
Payment to Federal old-age and survivors insurance trust fund.....	28,782	33,176	42,597
Refunds of excess taxes collected.....	9,750	10,000	10,000
Payment of interest to Federal old-age and survivors insurance fund..	724	877	1,126
Total annual outgo.....	570,700	762,626	992,373
Unexpended balance carried forward...	2,167,214	2,486,036	2,629,710

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
42 Insurance claims and indemnities.....	528,304	715,000	935,000
43 Interest and dividends.....	724	877	1,126
Unclassified:			
Payment to Federal old-age and survivor's insurance trust fund, Bureau of Old-Age and Survivor's Insurance for administrative expenses.....	28,782	33,176	42,597

Object Classification (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Unclassified—Continued			
Payment to miscellaneous receipts as reimbursement for administrative expenses.....	3,140	3,573	3,650
Refund of excess taxes collected.....	9,750	10,000	10,000
Total obligations.....	570,700	762,626	992,373

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Benefit payments.....	10,269,709	11,196,000	12,014,000
2. Construction:			
Authorized program.....	2,454	4,664	490
Proposed supplemental.....		320	
3. Administration:			
Authorized program.....	219,901	245,427	286,366
Proposed supplemental:			
Pay increases.....		7,222	
Other.....		17,573	
4. Refund of excess taxes collected.....	79,440	90,000	113,000
5. Payment to "Railroad retirement account" (net settlement).....	600,437	322,000	318,000
Total obligations.....	11,171,941	11,883,205	12,731,856
Financing:			
Unobligated balance brought forward:			
Cash.....	1,045,910	1,068,108	1,050,453
U.S. securities (par).....	20,478,466	19,756,158	19,712,000
Gain from premium or discount on investments.....	-4,036	-7,311	-7,500
Unappropriated receipts.....	161		
Receipts:			
Taxes.....	9,271,868	10,543,000	11,006,000
Deposits by States.....	650,257	732,000	748,000
Interest on investments.....	516,406	512,000	525,000
Interest payment by Federal disability insurance trust fund.....	724	877	1,126
Sale of wastepaper.....	148	150	145
Reimbursement from Federal disability insurance trust fund.....	28,782	33,176	42,597
Adjustment downward of prior year obligations.....	210		
Unobligated balance carried forward:			
Cash.....	-1,068,108	-1,050,453	-1,053,565
U.S. securities (par).....	-19,756,158	-19,712,000	-19,300,000
Gain from premium or discount on investments.....	7,311	7,500	7,600
Total financing.....	11,171,941	11,883,205	12,731,856

Under the Federal old-age and survivors insurance system, workers, employers and self-employed individuals make annual contributions in the form of taxes on earnings toward the benefits which will be payable when the worker retires or when he dies. An amount equal to the annual contributions is deposited in this trust fund for benefit payments and administrative expenses. 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).

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND

[In thousands of dollars]

	1960 actual	1961 estimate	1962 estimate
Unexpended balance brought forward...	21,541,424	20,828,725	20,772,029
Cash income during year.....	10,439,403	11,788,027	12,280,271
Cash outgo during year:			
For benefit payments.....	10,269,709	11,196,000	12,014,000
For administrative expenses (net of reimbursements from disability fund):			
Authorized.....	189,990	211,116	233,445
Proposed supplemental:			
Pay increases.....		7,083	139
Other.....		15,404	2,154
For construction and equipment of buildings.....	12,526	2,800	2,956
Proposed for later transmission.....		320	
Payment to "Railroad retirement account" (net settlement) (45 U.S.C. 228E).....	600,437	322,000	318,000
Refund of excess taxes collected.....	79,440	90,000	113,000
Total annual outgo.....	11,152,102	11,844,723	12,683,694
Unexpended balance carried forward...	20,828,725	20,772,029	20,368,606

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services:			
Office of the Secretary of Health, Education, and Welfare.....	303	325	352
Office of the General Counsel, Office of the Secretary of Health, Education, and Welfare.....	510	624	667
Office of Field Services, Office of the Secretary of Health, Education, and Welfare.....	926	1,167	1,214
Office of the Commissioner, Social Security Administration.....	276	296	322
42 Insurance claims and indemnities.....	10,269,709	11,196,000	12,014,000
Administrative expenses "Limitation on salaries and expenses, Bureau of Old-Age and Survivors Insurance".....	180,476	227,660	240,750
Construction of building.....	2,454	4,983	490
Unclassified:			
Payment to miscellaneous receipts as reimbursements for administrative expenses.....	37,410	40,150	43,061
Payment to "Railroad retirement account" (net settlement) (45 U.S.C. 228E).....	600,437	322,000	318,000
Payment to general fund for refunding internal revenue collections.....	79,440	90,000	113,000
Total obligations.....	11,171,941	11,883,205	12,731,856

PERSHING HALL MEMORIAL FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Payment of fund earnings (total costs—obligations) (object class 41).....	7	7	7
Financing:			
Unobligated balance brought forward: U.S. securities (par).....	211	211	211
Receipts (interest and profits on investments).....	7	7	7
Unobligated balance carried forward: U.S. securities (par).....	-211	-211	-211
Total financing.....	7	7	7

The Secretary of the Treasury may invest the principal of the Pershing Hall memorial fund in interest-bearing U.S. bonds. Earnings are paid to the American Legion for use in the maintenance of Pershing Hall in Paris, France (49 Stat. 426).

UNEMPLOYMENT TRUST FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Federal-State unemployment insurance:			
(a) Withdrawals by States for benefit payments.....	2,366,286	3,310,000	2,840,000
(b) State administrative expenses.....		366,469	368,000
(c) Federal administrative expense.....		7,936	8,338
(d) Expense of collecting Federal unemployment tax.....		4,900	5,000
(e) Repayment of advances from Employment security revolving fund.....		211,200	288,800
(f) Payment of interest on advances.....		2,700	3,500
(g) Refund of excess taxes collected.....		4,000	4,000
2. Railroad unemployment insurance:			
(a) Withdrawals by Railroad Retirement Board for benefit payments.....	274,963	165,000	170,000
(b) Administrative expenses.....	9,101	9,460	8,992
(c) Refund of borrowings from Railroad retirement account.....	86,131	93,000	98,000
Total program costs—obligations.....	2,736,481	4,174,665	3,794,630
Financing:			
Unobligated balance brought forward.....	6,715,427	6,682,307	6,070,442
Receipts:			
Federal-State unemployment insurance:			
Deposits by States.....	2,166,956	2,465,000	2,400,000
Federal unemployment tax receipts.....		347,000	470,000
Net payment from general fund (Federal unemployment account).....	2,555		
Advances from Employment security revolving fund.....		250,000	250,000
Railroad unemployment insurance:			
Railroad unemployment insurance tax receipts.....	152,998	165,000	170,000
Borrowings from railroad retirement account.....	183,730	135,000	110,000
Transfer of receipts from Railroad retirement account.....	8,914	8,800	9,100
Interest on investments.....	188,141	192,000	205,000
Recovery of prior year obligations.....	66		
Unobligated balance carried forward.....	-6,682,307	-6,070,442	-5,889,912
Total financing.....	2,736,481	4,174,665	3,794,630

Under the Social Security Act the Unemployment trust fund holds moneys received from the following sources and maintains related accounts: (1) All moneys deposited by a State agency from a State unemployment fund; (2) deposits by the Railroad Retirement Board to the credit of the Railroad unemployment insurance fund; (3) the transfer from the general fund of all Federal Unemployment Tax Act receipts for credit to the employment security administration account; and (4) earnings on investments. Amounts in the fund which are not required

TREASURY DEPARTMENT—Continued

OFFICE OF THE SECRETARY—Continued

UNEMPLOYMENT TRUST FUND—Continued

to meet current withdrawals are invested in Government securities (42 U.S.C. 1104).

The June 30, 1960, cash balance of \$6,683,008 thousand is distributed as follows (in thousands of dollars):

State unemployment trust accounts.....	6,666,773
Railroad unemployment insurance account:	
Benefits and refunds.....	2,622
Administrative expense account.....	5,908
Federal unemployment account.....	5,151
Undistributed appropriation.....	2,553
Total.....	6,683,008

Commencing in 1961, in accordance with the Social Security Act Amendments of 1960 (Public Law 86-778 approved Sept. 13, 1960), the administrative expenses of unemployment compensation and employment services under the Federal-State system will be paid from the new account, largely by means of grants to States. Also, receipts from the Federal Unemployment Tax Act will be deposited in this account. In 1960 and previous years both the administrative expenses of this program and the Federal Unemployment Tax Act receipts were a part of the general budget, even though the receipts were earmarked for this program. These amendments also provide for reimbursement to the general fund of the Treasury for the expenses incurred by the Treasury Department, mostly for collecting this tax.

The Social Security Act Amendments of 1960 also increased the limit on the balance maintained in the Federal unemployment account from \$200 million to \$550 million. This account is maintained in order to make loans to States whenever benefit payments made by any State seriously deplete the balance in its unemployment trust account. The Federal unemployment account grows when tax receipts exceed State and Federal administrative expenses or when outstanding loans are repaid.

The Federal unemployment accounts financial activity for 1960 showed (in thousands of dollars)—

Balance brought forward July 1, 1959.....	1,197
Outgo: Loans.....	-2,004
Income: Payment of interest.....	5,957
Total.....	5,151

The status of funds is as follows (in thousands of dollars):

	1960 actual	1961 estimate	1962 estimate
Investments in U.S. securities, beginning of year (par).....	6,710,565	6,669,557	6,060,500
Unamortized premium, discount and interest purchased (net).....	-1,143	-1,043	-1,172
Cash (unexpended balance).....	6,732	14,493	12,354
Balance of fund brought forward.....	6,716,153	6,683,008	6,071,682
Cash income during year.....	2,703,295	3,562,800	3,614,100

Cash outgo during year:			
1. Federal-State unemployment insurance:			
(a) Withdrawals by States for benefit payments.....	2,366,286	3,310,000	2,840,000
(b) State administrative expenses.....		18,924	353,000
(c) Federal administrative expense.....			8,000
(d) Expense of collecting Federal unemployment tax.....		4,900	5,000
(e) Repayment of advances from Employment security revolving fund.....			288,800

1960 actual 1961 estimate 1962 estimate

Cash outgo during year—Continued			
1. Federal-State unemployment insurance—Continued			
(f) Payment of interest on advances.....			3,500
(g) Refund of excess taxes collected.....		4,000	4,000
(h) Proposed for later transmission:			
State administrative expenses.....		347,545	
Federal administrative expense.....		7,457	
Repayment of advances from Employment security revolving fund.....		211,200	
Payment of interest on advances.....		2,700	
2. Railroad unemployment insurance:			
(a) Withdrawals by Railroad Retirement Board for benefit payments.....	274,963	165,000	170,000
(b) Administrative expenses.....	9,061	9,400	9,000
(c) Repayment of loans from Railroad retirement fund.....	86,131	93,000	98,000
Total annual outgo.....	2,736,441	4,174,126	3,779,300
Investments in U.S. securities at end of year (par).....	6,669,557	6,060,500	5,885,500
Unamortized premium, discount and interest purchased.....	-1,043	-1,172	-950
Cash (unexpended balance).....	14,493	12,354	21,932
Balance of fund carried forward.....	6,683,008	6,071,682	5,906,482

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
41 Grants, subsidies, and contributions: Withdrawals by Railroad Retirement Board.....	274,963	165,000	170,000
42 Refunds, awards, and indemnities: Payments to States.....	2,366,286	3,310,000	2,840,000
43 Interest and dividends.....		2,700	3,500
Limitation on—			
"Railroad unemployment insurance administration fund".....	9,101	9,460	8,992
"Salaries and expenses," Bureau of Employment Security.....		7,936	8,338
"Grants to States for unemployment compensation and employment service administration".....		366,469	368,000
Unclassified:			
Payment to miscellaneous receipts as reimbursements for administrative expenses.....		4,900	5,000
Return of borrowings from Railroad retirement account.....	86,131	93,000	98,000
Refund of excess taxes collected.....		4,000	4,000
Repayment of advances.....		211,200	288,800
Total obligations.....	2,736,481	4,174,665	3,794,630

BUREAU OF ACCOUNTS

BUREAU OF ACCOUNTS TRUST FUNDS

Program and Financing (in thousands of dollars)

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)."

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Bulgarian claims fund.....	2,402	50	
2. Czechoslovakian claims fund.....		300	5,541
3. Hungarian claims fund.....	1,141	201	100
4. Italian claims fund.....	3,205		
5. Polish claims fund.....			4,000

Program and Financing (in thousands of dollars)—Continued

	1960 actual	1961 estimate	1962 estimate
Program by activities—Continued			
6. Rumanian claims fund.....	19,092	1,000	500
7. Soviet claims fund.....	6,704		
8. Losses in melting gold.....		1	1
9. National defense conditional gift fund.....	11		
10. Payment of pre-1934 bonds of the Government of the Philippines.....	3,325	425	425
11. Payment of unclaimed moneys.....	59	60	60
Total obligations.....	35,940	2,037	10,627
Financing:			
Unobligated balance brought forward:			
Cash.....	33,401	10,627	11,726
Unappropriated receipts:			
Losses in melting gold.....	9,094	9,098	9,102
Payment of unclaimed moneys.....	14,144	14,285	14,425
U.S. securities (par).....	5,068	1,844	1,462
Receipts:			
Bulgarian claims fund.....	301	50	
Czechoslovakian claims fund.....	8,541		
Hungarian claims fund.....	541	100	1,400
Polish claims fund.....		2,000	2,000
Rumanian claims fund.....	373	500	600
Losses in melting gold.....	4	5	5
National defense conditional gift fund.....	3		
Payment of pre-1934 bonds of the Government of the Philippines.....	100	43	40
Payment of unclaimed moneys.....	200	200	200
Unclaimed moneys of individuals whose whereabouts are known.....	25		
Unobligated balance carried forward:			
Cash.....	-10,627	-11,726	-5,586
Unappropriated receipts:			
Losses in melting gold.....	-9,098	-9,102	-9,106
Payment of unclaimed moneys.....	-14,285	-14,425	-14,565
U.S. securities (par).....	-1,844	-1,462	-1,077
Total financing.....	35,940	2,037	10,627

1-7. *Foreign claims settlement.*—The Foreign Claims Settlement Commission is authorized to adjudicate claims of American nationals against Bulgaria, Czechoslovakia, Hungary, Italy, Poland, Rumania, and the Soviet Union. Upon certification by the Commission, the Secretary of the Treasury is authorized to make payments on awards.

8. *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).

9. *National defense conditional gifts.*—The Secretary of the Treasury accepts, on behalf of the United States, conditional gifts of money or other intangible 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).

10. *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 and its provinces, cities, and municipalities issued prior to May 1, 1934, under authority of acts of Congress. The value of unmatured outstanding bonds is \$889 thousand (22 U.S.C. 1393(g)(5)).

11. *Payment of unclaimed moneys.*—Payments are made to individuals who establish their right to moneys held in trust pending claims of owners.

Unclaimed moneys of individuals whose whereabouts are known.—Amounts are held in trust awaiting settlement of allowances 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, 1960, there was a balance of \$8 thousand in the fund.

To promote the education of the blind.—The \$250 thousand 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 thousand being equivalent to 4% on the principal, is paid to the American Printing House for the Blind (20 U.S.C. 101).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
41 Grants, subsidies, and contributions.....	11		
42 Insurance claims and indemnities.....	32,604	1,612	10,202
43 Interest and dividends.....	171	175	175
Retirement of bonds.....	3,154	250	250
Total obligations.....	35,940	2,037	10,627

BUREAU OF CUSTOMS

BUREAU OF CUSTOMS TRUST FUNDS

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
1. Refunds, transfers, and expenses of operations, Virgin Islands.....	653	792	893
2. Refunds, transfers, and expenses of operations, Puerto Rico.....	10,117	10,742	11,076
3. Refunds, transfers, and expenses, unclaimed, abandoned, and seized goods.....	1,526	325	325
Total obligations.....	12,296	11,859	12,294
Financing:			
Unobligated balance brought forward.....	1,295	1,366	1,366
Receipts:			
Customs duties, taxes and fees collected in the Virgin Islands.....	697	792	893
Customs duties, taxes and fees collected in Puerto Rico.....	10,169	10,742	11,076
Sale of abandoned and seized merchandise.....	1,501	325	325
Unobligated balance carried forward.....	-1,366	-1,366	-1,366
Total financing.....	12,296	11,859	12,294

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)).

TREASURY DEPARTMENT—Continued

BUREAU OF CUSTOMS—Continued

BUREAU OF CUSTOMS TRUST FUNDS—Continued

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
BUREAU OF CUSTOMS			
11 Personnel compensation:			
Permanent positions.....	1,259	1,454	1,476
Positions other than permanent.....	8	10	10
Other personnel compensation.....	35	32	27
Total personnel compensation.....	1,301	1,496	1,513
12 Personnel benefits.....	298	317	322
21 Travel and transportation of persons.....	17	20	20
22 Transportation of things.....	7	8	8
23 Rent, communications, and utilities.....	22	22	22
25 Other services.....	1,536	335	335
26 Supplies and materials.....	15	16	16
31 Equipment.....	53	33	33
41 Grants, subsidies and contributions: Payments to—			
Treasury of municipalities of Virgin Islands.....	487	575	675
Treasurer of Puerto Rico.....	7,875	8,400	8,900
44 Refunds.....	430	450	450
Total, Bureau of Customs.....	12,040	11,673	12,294
ALLOCATION TO ARMY			
11 Personnel compensation:			
Permanent positions.....	17	12	-----
Other personnel compensation.....	2	2	-----
Total personnel compensation.....	18	14	-----
12 Personnel benefits.....	1	1	-----
25 Other services.....	14	10	-----
32 Lands and structures.....	223	161	-----
Total, Army.....	257	186	-----
Total obligations.....	12,296	11,859	12,294

Personnel Summary

	1960 actual	1961 estimate	1962 estimate
BUREAU OF CUSTOMS			
Total number of permanent positions.....	254	261	261
Full-time equivalent of other positions.....	4	4	4
Average number of all employees.....	241	249	249
Number of employees at end of year.....	252	260	260
Average GS grade.....	7.0	7.0	7.0

Personnel Summary—Continued

	1960 actual	1961 estimate	1962 estimate
BUREAU OF CUSTOMS—Continued			
Average GS salary.....	\$5,692	\$6,205	\$6,316
Average salary of ungraded positions.....	\$2,807	\$2,812	\$2,812
ALLOCATION TO ARMY			
Total number of permanent positions.....	7	5	-----
Average number of all employees.....	3	3	-----
Number of employees at end of year.....	7	2	-----
Average GS grade.....	7.7	7.6	-----
Average GS salary.....	\$5,489	\$5,728	-----

COAST GUARD

GENERAL GIFT FUND

Program and Financing (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
Program by activities:			
Training facilities (total costs—obligations).....	8	15	5
Financing:			
Unobligated balance brought forward.....	7	8	-----
Receipts.....	9	7	5
Unobligated balance carried forward.....	—8	-----	-----
Total financing.....	8	15	5

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 (10 U.S.C. 2601 a-d).

Object Classification (in thousands of dollars)

	1960 actual	1961 estimate	1962 estimate
25 Other services.....	3	3	2
26 Supplies and materials.....	5	9	2
31 Equipment.....	-----	1	1
32 Lands and structures.....	-----	2	-----
Total obligations.....	8	15	5

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. Foreign Currency Availabilities and Uses
- Special Analysis F. Selected Investment and Interfund Transactions
- Special Analysis G. Historical Comparison of Budget Receipts and Expenditures by Function

INTRODUCTION TO PART IV

Part IV of the budget contains a limited number of special analyses of budget data, which 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 five Government-sponsored enterprises 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 U.S. Treasury. The information here provides one measure of the impact of Government activities on the economy, and it serves as the basis for table 5 of part I, which summarizes the data for fiscal year 1962 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 budget expenditures used in the budget message and in some of the tables of part I. It is compiled by regrouping the figures found in the chapter summaries of part II. The code numbers in the chapter summaries are the key to the grouping 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 yielding benefits over a period of years, that is, those 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. Expendi-

tures 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 losses on loans, and other items not reflected in current expenditure data.

FOREIGN CURRENCY AVAILABILITIES AND USES

Special analysis E presents information on foreign currencies accruing to the United States without purchase with dollars, and the disposition of such currencies. It covers currencies both for "country uses" (grants to and loans in the country from which the currencies are obtained) and for "U.S. uses." For 1960 currencies were in some cases made available to various agencies for U.S. uses without being reflected in the budget accounts; for 1961 and 1962, currencies for U.S. uses are generally in the budget accounts. The special analysis coordinates and supplements the information presented elsewhere in the budget on this subject.

SELECTED INVESTMENT AND INTERFUND TRANSACTIONS

Special analysis F sets forth certain investment and interfund transactions which are not reflected in the budget totals. The first group of transactions are the investments by public enterprise funds in U.S. securities (both Treasury issues and the securities of wholly owned Government enterprises) and the net borrowing or repayment of their debt held outside the Government. The second group covers similar transactions of trust funds. The foregoing transactions cause changes in cash balances and therefore the totals from these two sections of the table are included in computations shown in table 4 of part I.

The third group of transactions are the expenditure payments from revolving funds into the general fund, included in detailed expenditures and receipts, but deducted in total in table 1 of part I. The final portion of this analysis covers the nonexpenditure transfers by revolving funds to the general fund, representing the return of capital and the distribution of earnings.

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES

Special analysis G presents a 10-year comparison of budget receipts and expenditures. Receipts are classified by source and expenditures by function. As in special analysis C, the code numbers in the chapter summaries of part II are the key to the grouping of items in the expenditure section of this analysis.

NOTE

In addition to the special analyses appearing in this part of the budget document, the analyses listed below are being published separately and single copies of each may be obtained, upon request, from the Bureau of the Budget.

- Federal Activities in Public Works and Other Construction.
- Federal Research and Development Programs.
- Federal Credit Programs.
- Federal Aid to State and Local Governments.
- Principal Federal Statistical Programs.

SPECIAL ANALYSIS A

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

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. Included in this consolidation are the transactions of trust and deposit funds (which are not fully owned by the Federal Government), and net expenditures of Government-sponsored enterprises, as well as the Federal funds included in budget receipts and expenditures. (For a description of the differences between budget, trust, and other types of funds, see the introductions to part I and part III, pp. 2-3 and 920.) In consolidating these funds, major intragovernmental

transactions which are reported as both expenditures and receipts are eliminated.

The transactions of the Federal Government on a consolidated cash basis are expected to result in an excess of Federal receipts from the public of \$1.3 billion in the fiscal year 1962 as compared with an excess of receipts of \$1.1 billion in the current year. This concept of Federal income and outgo is described in detail on pages 981-982 of this analysis. In general, in addition to consolidating budget, trust fund, and other transactions, it eliminates certain intragovernmental payments and transactions which do not represent cash flows between the Federal Government and the public.

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 of dollars]

Description	1948 actual	1949 actual	1950 actual	1951 actual	1952 actual	1953 actual	1954 actual	1955 actual	1956 actual	1957 actual	1958 actual	1959 actual	1960 actual	1961 estimate	1962 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	36,719	40,715	43,300	45,500
Corporation income taxes.....	9,678	11,195	10,448	14,106	21,225	21,238	21,101	17,861	20,880	21,167	20,074	17,309	21,494	20,400	20,900
Excise taxes.....	7,356	7,502	7,549	8,648	8,851	9,868	9,945	9,131	9,929	10,534	10,728	10,675	11,780	12,309	13,013
Employment taxes.....	2,388	2,476	2,881	3,928	4,563	4,980	5,423	6,217	7,294	7,578	8,641	8,850	11,156	12,448	13,116
Estate and gift taxes.....	890	780	698	708	818	881	934	924	1,161	1,365	1,393	1,333	1,606	1,900	1,953
Customs.....	403	367	407	609	533	596	542	585	682	735	782	925	1,105	1,083	1,115
Deposits by States, unemployment insurance.....	1,007	984	1,099	1,363	1,439	1,371	1,246	1,146	1,330	1,542	1,501	1,701	2,167	2,465	2,400
Veterans life insurance premiums.....	434	431	440	520	473	428	426	441	441	452	485	477	481	512	542
Other budget and trust receipts.....	3,895	2,294	1,672	1,865	2,196	2,027	2,468	2,783	3,183	3,115	3,565	3,671	4,574	4,588	4,607
Total Federal receipts from the public.....	45,357	41,576	40,940	53,390	68,011	71,495	71,626	67,836	77,087	82,105	81,892	81,660	95,078	99,005	103,145
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	46,616	45,850	46,325	47,749
International affairs and finance.....	5,542	6,213	4,539	3,703	2,915	2,175	1,594	2,006	1,646	2,626	2,666	2,388	1,539	1,971	2,680
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	5,815	5,725	5,894	5,967
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	18,552	19,839	22,346	23,418
Agriculture and agricultural resources.....	531	2,532	2,848	628	1,129	2,949	2,596	4,403	4,983	4,603	4,320	6,996	4,837	4,823	5,051
Natural resources.....	755	1,062	1,220	1,279	1,377	1,487	1,330	1,217	1,123	1,324	1,570	1,698	1,749	1,986	2,178
Commerce and housing.....	449	1,407	1,795	2,346	2,148	2,327	219	1,449	2,186	3,138	2,996	6,859	6,734	6,593	7,145
General government.....	1,385	1,033	1,056	1,228	1,344	1,360	1,470	1,396	1,578	1,494	1,622	1,923	2,028	2,389	2,420
Interest ¹	3,909	3,977	4,316	4,134	4,134	4,711	4,620	4,664	5,115	5,265	5,883	5,351	7,463	7,254	6,620
Deposit funds, net ²	73	463	77	-544	-160	-471	-115	57	229	225	-97	-3	-109	120	44
Allowance for contingencies.....														25	100
Expenditures by agencies, as employers, for Federal employees retirement (-) ³															
Deduction from Federal employees salaries for retirement (-).....	-236	-327	-358	-378	-411	-420	-430	-439	-574	-644	-666	-751	-752	-801	-801
Increase (-) or decrease in clearing account for outstanding checks, etc. ⁴	507	-366	-483	214	401	250	115	55	-335	753	-579	116	149	-195	59
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	67,962	76,769	71,858	70,537	72,616	80,006	83,412	94,804	94,301	97,931	101,832
Excess of Federal payments to (-) or receipts from the public.....	8,864	1,006	-2,207	7,593	49	-5,274	-232	-2,701	4,471	2,099	-1,520	-13,144	777	1,074	1,313

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.

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

The increase in the excess of receipts between 1961 and 1962 results mainly from the estimated increase in the budget surplus, with the net accumulation in the trust funds expected to be slightly higher in 1961 than in 1962. (For trust fund receipts and expenditures, see part III of this document, especially pp. 921-922.)

Receipts from the public are expected to rise to \$103.1 billion in 1962, which is \$4.1 billion higher than in the current fiscal year. Payments are estimated at \$101.8 billion, an increase of \$3.9 billion above the current fiscal year.

Federal receipts from the public by major source and payments to the public by major function: 1948-62.—Since 1948, receipts from and payments to the public have both increased at a faster rate than budget receipts and expenditures, with the growth of existing trust fund programs accompanied by employment tax increases (particularly old-age and survivors insurance) and the creation of new trust funds (principally the Highway trust fund). Both receipts from and payments to the public in 1962 will be more than double the comparable amount in any of the years 1948-50.

Income taxes have provided most of the increase in receipts from the public, and have more than doubled since 1948. Individual income taxes in 1962 will have risen by \$26.2 billion and corporate income taxes by \$11.2 billion over their 1948 levels. Employment tax receipts are estimated to be \$13.1 billion in 1962, more than 5 times the 1948 level. This growth is accounted for by (1) increases in both the rates and income bases of these taxes, (2) the wider extension of social security coverage, and (3) generally higher incomes.

FEDERAL RECEIPTS FROM AND PAYMENTS TO THE PUBLIC COMPARED WITH BUDGET RECEIPTS AND EXPENDITURES FOR 1962

[Estimates. In millions of dollars]

Description	Budget receipts and expenditures	Trust fund transactions and other differences (net)	Receipts from and payments to the public
Receipts:			
Individual income taxes.....	45,500	-----	45,500
Corporation income taxes.....	20,900	-----	20,900
Excise taxes.....	9,725	3,288	13,013
Employment taxes.....	-----	13,116	13,116
Estate and gift taxes.....	1,953	-----	1,953
Customs.....	1,115	-----	1,115
Other receipts.....	3,807	3,741	7,548
Interfund budget transactions.....	-667	+667	-----
Total receipts.....	82,333	20,812	103,145
Payments:			
Major national security.....	47,392	357	47,749
International affairs and finance.....	2,712	-32	2,680
Veterans services and benefits.....	5,296	671	5,967
Labor and welfare.....	4,759	18,659	23,418
Agriculture and agricultural resources.....	5,101	-50	5,051
Natural resources.....	2,138	40	2,178
Commerce and housing.....	3,371	3,774	7,145
General government.....	2,071	349	2,420
Interest.....	8,593	-1,973	6,620
Allowance for contingencies.....	100	-----	100
Interfund budget transactions and undistributed items.....	-667	-830	-1,497
Total payments.....	80,865	20,967	101,832
Excess of receipts.....	1,468	-154	1,313

With two exceptions, payments for each major governmental function will be higher in 1962 than in 1948. The exceptions are international affairs and finance, and veterans services and benefits; and in both of these cases expenditures in 1948 were very high because of special post-World War II conditions. In absolute amounts, the largest increases since 1948 are \$34.8 billion for major national security, and \$20.1 billion for labor and welfare. The largest proportionate changes since 1948 are for commerce, housing, and space technology programs and for agriculture and agricultural resources. Outlays for commerce, housing, and space technology programs (including highways) in 1962 are estimated to be 16 times the 1948 total, while payments for agriculture will have increased 10 times from the exceptionally low 1948 amount.

Comparison with the budget.—The estimated excess of receipts in 1962 is approximately the same as the budget surplus, because the trust fund and other items added to the budget totals to compute the consolidated cash totals approximately balance and have little net effect in that year. Trust fund receipts are expected to be about equal to trust fund expenditures, and the net expenditures of Government-sponsored enterprises are offset by the amount of net accrued (and unpaid) interest and other noncash budget expenditures.

As in the budget, income taxes provide the largest portion of receipts from the public, and payments to the public for major national security exceed payments for any other function.

Federal payments to the public for commerce and housing exceed comparable budget totals considerably, primarily because of the expenditures from the Highway trust fund. Payments for labor and welfare also exceed budget totals substantially, because of the benefit payments of the social security trust funds. On the other hand, cash payments to the public for interest are considerably smaller than budget outlays, mainly because a large amount of interest on the public debt is paid by the Treasury to trust funds on their holdings of public debt securities, and does not go to the public directly.

Federal net cash borrowing from the public.—The amount of Federal net cash borrowing from the public (or net repayment of such borrowing) is determined 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, not included in receipts from the public, provide a relatively small additional amount of available revenue.

FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions of dollars]

Description	1960 actual	1961 estimate	1962 estimate
Excess of receipts from the public.....	777	1,074	1,313
Receipts from exercise of monetary authority.....	53	63	82
Increase (-) or decrease in cash balances.....	-2,651	2,105	-----
Federal cash borrowing (-) or repayment of cash borrowing.....	-1,821	3,242	1,395

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

The figures shown in the preceding table for net cash borrowing from the public include not only the change in the amount of publicly held U.S. Government securities issued by the Treasury, but also the change in securities of various kinds issued to the public by other Government agencies and by 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 U.S. Government notes and securities to the International Monetary Fund and to the trust funds. The trust funds now hold about one-fifth of the public debt.

CHANGE IN PUBLIC DEBT RECONCILED WITH FEDERAL GOVERNMENT NET CASH BORROWING FROM THE PUBLIC

[In millions of dollars]

Description	1960 actual	1961 estimate	1962 estimate
Increase (—) or decrease in public debt ¹	—1,625	1,431	1,500
Cashings of (—) or investments in U.S. Securities, net:			
Trust funds ²	551	795	736
Public enterprise funds.....	166	102	120
Government-sponsored enterprises.....	236	41	232
Increase (—) or decrease in obligations of Government enterprises held by the public, net:			
Trust funds ²	—995	—497	—720
Public enterprise funds.....	—28	685	—193
Government-sponsored enterprises.....	—723	155	—653
Decrease (—) or increase in public debt from noncash adjustments, net ³	597	530	373
Federal cash borrowing (—) or repayment of cash borrowing.....	—1,821	3,242	1,395

¹ From table 4 in part I of this document.² Includes the Federal National Mortgage Association secondary market operations.³ Includes accrued interest and noncash adjustments other than the change in the clearing account.

Coverage.—For purposes of this analysis, 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. Interfund transactions eliminated from both receipts and payments in making the consolidation are: (1) payments between Federal funds and trust funds, such as interest paid to the Unemployment trust fund by the general fund on its holdings of public debt securities; and (2) payments between trust funds, such as the payment by the Old-age and survivors insurance fund to the Railroad retirement account.

Receipts of the Government from the exercise of monetary authority (mainly seigniorage) do not represent cash received from the public and are therefore deducted in making this consolidation. The bulk of these receipts represent the difference between acquisition cost to the Treasury and the monetary value of silver and other metals minted into coins.

This analysis also includes on a net basis the estimated expenditures of five Government-sponsored enterprises which are exempt from the budgeting requirements of the Government Corporation Control Act of 1945, as amended—The Federal Deposit Insurance Corporation;

the Federal home loan banks; the Federal land banks; the banks for cooperatives; and the Federal intermediate credit banks. The expenditures of these enterprises are estimated from their security transactions in the following manner: security purchases (both net investment by an enterprise in U.S. securities and net redemption by the enterprise of its own obligations) are used as a measure of net receipts from operations; security sales (net cashing by the enterprise of U.S. securities and net sales of its own obligations) are used as a measure of net expenditures.

DERIVATION OF FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

[In millions of dollars]

Description	1960 actual	1961 estimate	1962 estimate
FEDERAL RECEIPTS FROM THE PUBLIC			
Budget receipts ¹	77,763	79,024	82,333
Trust fund receipts ²	21,442	24,239	25,189
Less—			
Intragovernmental transactions.....	4,075	4,195	4,294
Receipts from exercise of monetary authority.....	53	63	82
Equals: Federal receipts from the public.....	95,078	99,005	103,145
FEDERAL PAYMENTS TO THE PUBLIC			
Budget expenditures ¹	76,539	78,945	80,865
Trust fund expenditures ²	21,799	24,102	25,155
Government-sponsored enterprise expenditures, net.....	487	—196	421
Less—			
Intragovernmental transactions.....	4,075	4,195	4,294
Accrued interest and other noncash expenditures, net.....	449	725	314
Equals: Federal payments to the public.....	94,301	97,931	101,832
Excess of Federal payments to (—) or receipts from the public.....	777	1,074	1,313

¹ From table I in part I of this document.² From table 10 in part III of this document.

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 (a mixed-ownership enterprise).

Budget expenditures are for the most part on a "checks issued" basis but also include a few noncash transactions. In calculating total Federal payments to the public, these noncash items are excluded. On the other hand, actual cash outlays are included in payments to the public even though they are not part of budget expenditures for the year in question. The three main transactions of this type are: (1) U.S. securities issued in payment of obligations and the redemption of these securities for cash at a later date. This is the case with the U.S. Treasury notes used to pay the U.S. subscription to the International Monetary Fund in 1959—notes which will be redeemed in later years as the International Monetary Fund needs the money; (2) interest on savings bonds, which is a budget expenditure at the time of accrual and a payment to the public when the bonds are redeemed; and (3) net changes in the clearing accounts for outstanding checks and similar

SPECIAL ANALYSIS A—Continued

FEDERAL GOVERNMENT RECEIPTS FROM AND PAYMENTS TO THE PUBLIC—Continued

items. In any given year the aggregate of the accruals may be larger or smaller than total disbursements for previously accrued items.

Use and limitations.—Because the totals of Federal Government receipts from and payments to the public are more comprehensive than the budget totals, they are of particular importance 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 income of the public as a whole.

“Federal receipts from and payments to the public” tend to understate the scope of Federal transactions, because the totals include only the net expenditures of wholly owned and of Government-sponsored enterprises. Receipts from operations of these enterprises, such as postal receipts or interest on and repayment of loans, are deducted from disbursements, such as postal expenditures or new loans, in measuring net expenditures. Since this netting reduces receipts and payments by equal amounts, the excess of receipts or payments is not affected.

This measure of Federal transactions differs from the national income account treatment in two major respects—coverage and timing. With respect to coverage, capital (financing) transactions, such as loans and loan repayments and sales and purchases of existing assets, are excluded from receipts and expenditures on national income and product account but are included in the consolidated cash statement. With respect to timing, the national account treatment records many transactions on an accrual basis, while in the consolidated cash series an effort is made to record only cash transactions.

Users of the data in this analysis should recognize that no single measure can describe completely the economic impact of the Federal Government. Since the various receipt and expenditure transactions have different economic effects, a given aggregate will have an economic impact which depends on the composition of the total. In addition, many Government activities besides receipts and expenditures have a bearing on the economy. 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 guarantees and insurance of private loans may also affect activity in the economy, even though they normally entail relatively small Government expenditures. 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 trans-

actions 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 of dollars]

Description	1960 actual	1961 estimate	1962 estimate
Federal receipts from the public.....	95,078	99,005	103,145
Receipts from exercise of monetary authority.....	53	63	82
Net difference in actual year due to reporting method.....	-269	-----	-----
Equals: Treasury cash deposits....	94,862	99,068	103,227

RECONCILIATION OF FEDERAL GOVERNMENT PAYMENTS TO THE PUBLIC WITH TREASURY CASH WITHDRAWALS

[In millions of dollars]

Description	1960 actual	1961 estimate	1962 estimate
Federal payments to the public.....	94,301	97,931	101,832
Less—			
Payments to the public not reflected in accounts of the Treasurer of the United States (net):			
From cash held outside Treasury ¹	4	-----	-----
From proceeds of sales in the market of agency obligations and U.S. securities ²	520	-----	-----
Net difference in actual year due to reporting method.....	-269	-----	-----
Equals: Cash withdrawals from Treasury.....	93,508	97,931	101,832

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 constitute funds available to the Treasurer, are included in Treasury cash deposits.

The adjustment “net difference in actual year due to reporting method,” which appears in both preceding reconciliation tables, is necessary because of the method used by the Treasury in reconciling its accounts for checks being cleared and the corresponding adjustment made in the preparation of the “receipts from and payments to the public” data. This adjustment is applied to payments instead of adjusting receipts and payments separately, and is used to change the Treasury “checks issued” data to a “checks paid” basis.

A further adjustment is necessary in the reconciliation of “payments” with “withdrawals” since the concept of payments to the public is more inclusive than Treasury cash withdrawals and includes payments by Government agencies from their own cash balances or from accounts in commercial banks. 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.

Note.—A detailed reconciliation of the differences between the budget totals, Federal Government receipts from and payments to the public, and Treasury cash deposits and withdrawals is available on request from the Bureau of the Budget.

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 budget message and in table 1 of part I.

The estimates of receipts from taxes and customs for the current and coming fiscal years are prepared by the Treasury Department. In general, the estimates of miscellaneous receipts are prepared by the agencies depositing these receipts in the Treasury.

The revenue estimates assume for fiscal year 1962 that proposed legislation will be enacted extending present corporation income and excise tax rates for a year beyond June 30, 1961; that the pending diversion of general fund receipts to the Highway trust fund will be repealed, and replaced by an increase in highway motor fuel taxes; that aviation gas taxes will be increased and a new tax imposed on jet fuels, with receipts from these taxes credited to the general fund; and that adequate fees and charges will be established for certain special services and benefits, as recommended by the President.

Detailed estimates of budget receipts under both existing and proposed legislation are contained on pages 986 to 988.

BUDGET RECEIPTS

Receipts in the fiscal year 1960, reflecting the substantial expansion of personal incomes and corporate profits from 1957-58 recession levels, rose \$9.8 billion above receipts of the previous fiscal year. Further rises in personal incomes occurred in 1960 and are expected in 1961, but corporate profits in the calendar year 1961, as in 1960, are not expected to reach the levels attained in the calendar year 1959. Principally because of this, the increases in receipts estimated for 1961 and 1962 are much less than for 1960. Individual income taxes, excise taxes, and estate and gift taxes are estimated to show increases throughout the 1960-62 period. Corporation income taxes, miscellaneous receipts, and customs are expected to dip in fiscal year 1961 and then increase in fiscal year 1962.

RECEIPTS BY MAJOR SOURCES

Actual receipts for 1960 and estimated receipts for 1961 and 1962 are compared by major sources in the accompanying table. The amount shown for each receipt source is the net amount after deduction of refunds and transfers to trust funds.

Individual income taxes.—Over two-thirds of individual income tax revenue is collected through withholdings by employers on a current basis. The remainder is collected through quarterly declarations by the self-employed and others, and in end-of-year returns due on April 15 of the following year. Because of this timing, individual income taxes collected in a fiscal year partly reflect income of

the current calendar year and partly the income of the preceding calendar year.

NET BUDGET RECEIPTS

[In millions of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Increase (+) or decrease (-), 1962 over 1961
Individual income taxes.....	40,715	43,300	45,500	+2,200
Corporation income taxes.....	21,494	20,400	20,900	+500
Excise taxes.....	9,137	9,322	9,725	+403
Employment taxes.....	339			
Estate and gift taxes.....	1,606	1,900	1,953	+53
Taxes not otherwise classified.....	-1			
Customs.....	1,105	1,083	1,115	+32
Miscellaneous receipts.....	4,062	3,695	3,807	+112
Subtotal.....	78,457	79,700	83,000	+3,300
Deduct interfund transactions (included in both receipts and expenditures).....	694	676	667	-8
Net budget receipts.....	77,763	79,024	82,333	+3,308

Individual income taxes remain by far the most important source of revenue. They are twice as large as the next most important source of revenue—corporation income taxes—and alone account for over one-half of net budget receipts. Together the two income taxes account for over three-quarters of net budget receipts.

Individual income tax receipts are estimated to show increases of over \$2 billion in both fiscal years 1961 and 1962. These increases result from the expected growth in personal incomes over the period affecting receipts in these years.

Corporation income taxes.—Receipts from 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 fiscal year 1961 largely reflect calendar year 1960 profits, and receipts in fiscal year 1962 depend mainly on calendar year 1961 profits. Because of somewhat reduced profits in the third and fourth quarters, profits for calendar year 1960 will average moderately below those for calendar year 1959. As a result, corporation income tax receipts are estimated to recede from \$21.5 billion in fiscal year 1960 to \$20.4 billion in 1961. It is expected that profits will recover in calendar year 1961, averaging somewhat higher for the year than in 1960. This will result in an increase of \$0.5 billion in corporation income taxes, to a total of \$20.9 billion, for fiscal year 1962.

SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

Excise taxes.—The yield of the excise taxes is shown in the following table:

EXCISE TAX RECEIPTS				
[In millions of dollars]				
Source	1960 actual	1961 estimate	1962 estimate	Increase (+) or decrease (-), 1962 over 1961
Alcohol taxes.....	3,194	3,180	3,287	+107
Tobacco taxes.....	1,932	1,994	2,055	+61
Taxes on documents, other instruments, and playing cards.....	139	140	143	+3
Manufacturers' excise taxes.....	4,735	5,199	5,649	+450
Retailers' excise taxes.....	379	399	415	+16
Miscellaneous excise taxes.....	1,387	1,454	1,546	+92
Undistributed depository receipts and unapplied collections.....	100	25	-----	-25
Gross excise taxes.....	11,865	12,391	13,095	+704
Deduct—				
Refunds of receipts.....	85	82	82	-----
Transfer to Highway trust fund.....	2,642	2,987	3,288	+301
Net excise taxes.....	9,137	9,322	9,725	+403

Gross excise tax receipts are estimated to increase by \$526 million in 1961 and to rise further by \$704 million in the fiscal year 1962. A substantial part of the increase in 1961 is due to the full-year effect of the increase in the motor fuel taxes from 3 to 4 cents per gallon, effective October 1, 1959. A further increase in the motor fuel taxes to 4½ cents per gallon and the imposition of a new tax on jet fuel effective July 1, 1961, under proposed legislation, account for part of the rise in receipts in fiscal year 1962.

Net excise tax receipts, after deduction of transfers to the Highway trust fund and refunds, are estimated to rise by \$185 million in 1961 and \$403 million in 1962. Generally, excise taxes are expected to increase moderately in 1961 but, based on collections so far this year, receipts from alcohol taxes—a major tax source—are expected to decline somewhat. In 1962, increases are estimated for virtually all tax sources.

Employment taxes.—Receipts from the Federal Insurance Contributions Act and the Self-Employment Contributions Act are estimated to increase by \$1,290 million in fiscal year 1961 reflecting the full-year effect of the rate and base increases effective January 1, 1960, and also because of the rising levels of taxable wages. The increase in fiscal year 1962 results from an expected continued rise in taxable wages.

Starting with fiscal year 1961 the receipts from the Federal Unemployment Tax Act are being transferred to the Unemployment trust fund. Thus, employment taxes in total will have no effect on net budget receipts from 1961 on.

The yield of the employment taxes is shown in the following table:

EMPLOYMENT TAX RECEIPTS

[In millions of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Increase (+) or decrease (-), 1962 over 1961
Federal Insurance Contributions Act and Self-Employment Contributions Act.....	10,211	11,501	12,006	+505
Railroad Retirement Tax Act.....	607	600	640	+40
Federal Unemployment Tax Act.....	341	347	470	+123
Gross employment taxes.....	11,159	12,448	13,116	+668
Deduct—				
Refunds of receipts.....	3	(¹)	(¹)	-----
Transfers to—				
Federal old-age and survivors insurance trust fund.....	9,272	10,543	11,006	+463
Federal disability insurance trust fund.....	939	958	1,000	+42
Railroad retirement account.....	607	600	640	+40
Unemployment trust fund.....	-----	347	470	+123
Net employment taxes.....	339	-----	-----	-----

¹ Less than \$500 thousand.

Estate and gift taxes.—Receipts from the estate and gift taxes are expected to show a substantial increase to \$1,900 million in 1961 and to rise to about \$1,950 million in fiscal year 1962. Because of the predominance of estate taxes in the total and the length of time after date of death permitted in the filing of estate tax returns, the income from this source does not respond quickly to changes in security and other asset values.

Customs.—Customs receipts are estimated to dip slightly in fiscal year 1961 and then show a moderate increase in fiscal year 1962, reflecting an anticipated expansion in dutiable imports.

Miscellaneous receipts.—The estimated decrease of \$367 million in 1961 is mainly due to lower deposits with the Treasury of Federal Reserve System earnings, which are now estimated to decline by \$308 million from 1960 to 1961, chiefly because of a nonrecurring deposit of past earnings made in 1960.

In 1962, miscellaneous receipts are estimated to increase by \$112 million. Some further decline in dividends and other earnings is estimated to be more than offset by increased receipts from rentals, sales of property and products, and collections on loans and other investments. The 1962 estimate includes proposed legislation to increase charges for certain Government services which provide special benefits to identifiable individuals or groups.

A more detailed breakdown of miscellaneous receipts by source than shown in this analysis is available on request from the Bureau of the Budget.

SPECIAL ANALYSIS B—Continued

ANALYSIS OF BUDGET RECEIPTS—Continued

Estimates based on existing and proposed legislation—Continued

GROSS BUDGET RECEIPTS

Net budget receipts by major revenue source in the first table of this analysis are shown, under existing and proposed legislation, after deduction of transfers to trust funds and refunds of receipts. Budget receipts, before deduction of transfers to trust funds and refunds of receipts, are shown below:

BUDGET RECEIPTS BY SOURCE BEFORE DEDUCTING TRANSFERS TO TRUST FUNDS AND REFUNDS OF RECEIPTS

[In millions of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Increase (+) or decrease (-), 1962 over 1961
Individual income taxes.....	44,946	47,800	50,200	+2,400
Corporation income taxes.....	22,179	21,100	21,600	+500
Excise taxes.....	11,865	12,391	13,095	+704
Employment taxes.....	11,159	12,448	13,116	+668
Estate and gift taxes.....	1,626	1,920	1,973	+53
Customs.....	1,123	1,102	1,134	+32
Miscellaneous receipts.....	4,064	3,698	3,809	+111
Subtotal.....	96,962	100,458	104,926	+4,468
Deduct—				
Refunds of receipts.....	5,045	5,323	5,522	+199
Transfers to trust funds.....	13,460	15,435	16,404	+969
Subtotal.....	78,457	79,700	83,000	+3,300
Deduct interfund transactions (included in both receipts and expenditures).....	694	676	667	-8
Net budget receipts.....	77,763	79,024	82,333	+3,308

REFUNDS

Refunds of receipts, by major revenue sources, are summarized below:

REFUNDS OF RECEIPTS

[In millions of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Increase (+) or decrease (-), 1962 over 1961
Individual income taxes.....	4,230	4,500	4,700	+200
Corporation income taxes.....	685	700	700	-----
Excise taxes.....	85	82	82	-----
Employment taxes.....	3	(¹)	(¹)	-----
Estate and gift taxes.....	20	20	20	-----
Taxes not otherwise classified.....	1	-----	-----	-----
Customs.....	18	18	18	-----
Miscellaneous receipts.....	2	3	2	-1
Total refunds of receipts.....	5,045	5,323	5,522	+199

¹Less than \$500 thousand.

PROPOSED LEGISLATION

The budget receipts estimates for the fiscal year 1962 include amounts estimated for the proposed legislation described in the budget message. The following table shows the estimated effect of this proposed legislation on net budget receipts.

ESTIMATED EFFECT OF PROPOSED LEGISLATION ON NET BUDGET RECEIPTS

[In millions of dollars]

Source	Fiscal year 1962	Full annual effect
Corporation income taxes—tax rate extension.....	1,000	2,100
Excise taxes:		
Tax rate extensions:		
Alcohol taxes.....	255	259
Tobacco taxes.....	230	234
Passenger automobiles.....	334	407
Parts and accessories for automobiles.....	66	79
General telephone service.....	366	485
Transportation of persons.....	116	141
Total increase in receipts.....	1,367	1,605
Reduction in refunds.....	226	-----
Total tax rate extensions, excise taxes.....	1,593	1,605
Repeal of pending diversion of receipts to the Highway trust fund:		
Passenger automobiles.....	679	679
Parts and accessories for automobiles.....	131	131
Aviation fuel tax proposals:		
Increase tax on aviation gasoline and credit receipts to general fund.....	38	46
Impose new tax on jet fuels.....	62	76
Total excise taxes.....	2,503	2,537
Miscellaneous receipts—increased fees and charges for services and special benefits.....	16	33
Total proposed legislation.....	3,520	4,670

The estimated effects of proposed legislation on the transfer to the Highway trust fund are shown in the following table.

ESTIMATED EFFECT OF PROPOSED LEGISLATION ON TRANSFER FROM THE GENERAL FUND TO THE HIGHWAY TRUST FUND, FISCAL YEAR 1962

[In millions of dollars]

	Amount
Transfer to Highway trust fund under existing legislation.....	3,346
Add proposed increases in fuel taxes:	
Gasoline, including aviation gasoline.....	761
Diesel fuel, including special motor fuels.....	29
Less—	
Proposed repeal of pending diversion of general fund receipts to trust fund.....	-810
Proposal to retain receipts from aviation gasoline taxes in the general fund.....	-38
Equals transfer to Highway trust fund under existing and proposed legislation.....	3,288
Net change in transfer.....	-58

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS

BY SOURCE

Estimates based on existing and proposed legislation

[In thousands of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Source	1960 actual	1961 estimate	1962 estimate
Individual income taxes:				Excise taxes—Continued			
Withheld.....	31,674,588	33,800,000	35,800,000	Manufacturers' excise taxes:			
Other.....	13,271,124	14,000,000	14,400,000	Under existing legislation:			
Gross individual income taxes.....	44,945,711	47,800,000	50,200,000	Gasoline.....	2,015,863	2,404,000	1,952,000
Less refunds.....	4,230,464	4,500,000	4,700,000	Lubricating oils.....	81,679	82,000	83,000
Net individual income taxes.....	40,715,247	43,300,000	45,500,000	Passenger automobiles.....	1,331,292	1,335,000	1,024,000
Corporation income taxes:				Automobile trucks, buses, and trailers.....	271,938	284,000	286,000
Under existing legislation.....	22,179,414	21,100,000	20,600,000	Parts and accessories for automobiles.....	189,476	200,000	144,000
Under proposed rate extension.....			1,000,000	Tires, inner tubes, and tread rubber.....	304,466	310,000	317,000
Gross corporation income taxes under existing and proposed legislation.....	22,179,414	21,100,000	21,600,000	Electric, gas, and oil appliances.....	69,276	70,000	75,000
Less refunds.....	685,337	700,000	700,000	Electric light bulbs.....	31,762	34,000	37,000
Net corporation income taxes under existing and proposed legislation.....	21,494,077	20,400,000	20,900,000	Radio and television receiving sets, phonographs, phonograph records, and musical instruments.....	211,799	222,000	235,000
Excise taxes:				Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units.....	50,034	70,000	72,000
Alcohol taxes:				Business and store machines.....	99,370	106,000	115,000
Under existing legislation:				Photographic equipment.....	26,234	29,000	31,000
Distilled spirits (domestic and imported).....	2,255,761	2,250,000	2,180,000	Matches.....	5,287	5,000	5,000
Beer.....	796,233	785,000	714,000	Sporting goods, including fishing rods, creels, etc.....	19,446	20,000	22,000
Rectification tax.....	22,114	23,000	23,000	Firearms, shells and cartridges.....	15,590	16,000	16,000
Wines (domestic and imported).....	98,850	100,000	93,000	Pistols and revolvers.....	1,986	2,000	2,000
Special taxes in connection with liquor occupations.....	20,755	22,000	22,000	Fountain and ballpoint pens, mechanical pencils.....	9,632	10,000	10,000
Total alcohol taxes under existing legislation.....	3,193,714	3,180,000	3,032,000	Total manufacturers' excise taxes under existing legislation.....	4,735,129	5,199,000	4,426,000
Under proposed rate extensions.....			255,000	Under proposed legislation:			
Total alcohol taxes under existing and proposed legislation.....	3,193,714	3,180,000	3,287,000	Proposed rate extensions.....			400,000
Tobacco taxes:				Proposed new and increased taxes (gasoline and jet fuels).....			823,000
Under existing legislation:				Total manufacturers' excise taxes under existing and proposed legislation.....	4,735,129	5,199,000	5,649,000
Cigarettes (small).....	1,863,558	1,925,000	1,755,000	Retailers' excise taxes:			
Manufactured tobacco (chewing, smoking, and snuff).....	17,128	16,800	16,800	Jewelry.....	165,699	175,000	180,000
Cigars (large).....	49,850	51,400	52,400	Furs.....	30,207	30,000	31,000
Cigarette papers and tubes.....	691	700	700	Toilet preparations.....	120,211	130,000	138,000
All other.....	276	100	100	Luggage, handbags, wallets, etc.....	62,573	64,000	66,000
Total tobacco taxes under existing legislation.....	1,931,504	1,994,000	1,825,000	Total retailers' excise taxes.....	378,690	399,000	415,000
Under proposed rate extensions.....			230,000	Miscellaneous excise taxes:			
Total tobacco taxes under existing and proposed legislation.....	1,931,504	1,994,000	2,055,000	Under existing legislation:			
Taxes on documents, other instruments, and playing cards:				Toll telephone service, telegraph and teletypewriter service, wire mileage service, etc.....	312,055	330,000	350,000
Issues of securities, stock and bond transfers, and deeds of conveyance.....	131,134	132,000	135,000	General telephone service.....	426,242	455,000	119,000
Playing cards.....	8,075	7,980	7,980	Transportation of persons.....	255,459	272,000	166,000
Silver bullion sales or transfers.....	22	20	20	Diesel fuel, including special motor fuels.....	71,869	86,000	74,000
Total taxes on documents, other instruments, and playing cards.....	139,231	140,000	143,000	Use tax on certain vehicles.....	38,333	45,000	50,000
				Admissions, exclusive of cabarets, roof gardens, etc.....	34,494	36,000	38,000
				Cabarets, roof gardens, etc.....	49,605	30,000	30,000
				Wagering taxes, including occupational taxes.....	6,644	7,000	7,000
				Club dues and initiation fees.....	67,187	67,000	70,000
				Leases of safe deposit boxes.....	6,378	6,000	7,000
				Coconut and other vegetable oils, processed.....	389	200	100

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Source	1960 actual	1961 estimate	1962 estimate
Excise taxes—Continued				Miscellaneous receipts:			
Miscellaneous excise taxes—Continued				Under existing legislation:			
Under existing legislation—Continued				Miscellaneous taxes.....	4,473	4,480	4,480
Sugar tax.....	89,856	90,000	93,000	Seigniorage.....	52,694	62,521	82,461
Coin-operated amusement and gaming devices.....	20,336	23,000	25,000	Bullion charges.....	6,657	815	815
Bowling alleys and billiard and pool tables.....	3,670	4,000	4,000	Fees for permits and licenses:			
All other miscellaneous excise taxes.....	4,311	2,429	1,675	Admission permits and fees.....	4,934	5,182	5,383
Total miscellaneous excise taxes under existing legislation.....	1,386,829	1,453,629	1,034,775	Business concessions.....	6,230	6,416	7,446
Under proposed legislation:				Immigration, passport, and consular fees.....	18,854	19,508	20,310
Proposed rate extensions.....			482,000	Patent and copyright fees.....	8,411	8,585	8,695
Proposed increased taxes (diesel and special motor fuels).....			29,000	Registration and filing fees.....	3,753	3,592	3,643
Total miscellaneous excise taxes under existing and proposed legislation.....	1,386,829	1,453,629	1,545,775	Landing fees, airports.....	1,442	1,631	2,561
Undistributed depository receipts and unapplied collections	99,644	25,000		Miscellaneous fees for permits and licenses.....	13,066	14,809	14,993
Gross excise taxes under existing legislation.....	11,864,741	12,390,629	10,875,775	Proposed legislation.....			(10,600)
Less refunds.....	84,970	81,629	307,775	Total fees for permits and licenses.....	56,689	59,723	63,031
Less transfer to Highway trust fund.....	2,642,499	2,987,000	3,346,000	Fines, penalties, and forfeitures:			
Net excise taxes under existing legislation.....	9,137,271	9,322,000	7,222,000	Fines, penalties, and forfeitures, agricultural laws.....	8,332	2,237	2,237
Proposed rate extensions.....			1,367,000	Fines, penalties, and forfeitures, economic stabilization laws.....	75	76	76
Proposed new and increased taxes.....			852,000	Fines, penalties, and forfeitures, immigration and labor laws.....	316	319	319
Reduction in refunds under proposed legislation.....			226,000	Fines, penalties, and forfeitures, customs, commerce, and anti-trust laws.....	3,372	3,349	3,396
Decrease in transfer to Highway trust fund under proposed legislation.....			58,000	Fines, penalties, and forfeitures, narcotic, prohibition, and alcohol laws.....	47	50	50
Net excise taxes under existing and proposed legislation.....	9,137,271	9,322,000	9,725,000	Forfeitures of unclaimed money and property.....	690	563	463
Employment taxes:				Fines, penalties, and forfeitures not otherwise classified.....	3,567	4,169	4,189
Federal Insurance Contributions Act and Self-Employment Contributions Act.....	10,210,550	11,501,000	12,006,000	Total fines, penalties, and forfeitures.....	16,400	10,763	10,730
Railroad Retirement Tax Act.....	606,931	600,000	640,000	Gifts and contributions:			
Federal Unemployment Tax Act.....	341,108	347,000	470,000	Contributions to "conscience fund".....	102	78	78
Gross employment taxes.....	11,158,589	12,448,000	13,116,000	Gifts.....	325	245	242
Less refunds.....	2,563	50	50	Total gifts and contributions.....	427	323	320
Less transfers to—				Interest:			
Federal old-age and survivors insurance trust fund.....	9,271,868	10,543,000	11,006,000	Interest on loans to Government-owned enterprises.....	681,759	662,348	653,598
Federal disability insurance trust fund.....	938,682	958,000	1,000,000	Interest on loans to Government-sponsored enterprises.....	5,397	2,000	2,000
Railroad retirement account.....	606,865	599,950	639,950	Interest on loans to States, municipalities, and other public bodies.....	392	506	468
Unemployment trust fund.....		347,000	470,000	Interest on domestic loans to individuals and private organizations.....	89,019	100,708	111,288
Net employment taxes.....	338,611			Interest on foreign loans and deferred payments.....	158,627	159,937	158,734
Gross estate and gift taxes	1,626,348	1,920,000	1,973,000	Interest on public deposits.....	3,509	3,288	2,678
Less refunds.....	20,205	20,000	20,000	Miscellaneous interest collections.....	28,450	30,157	14,971
Net estate and gift taxes.....	1,606,142	1,900,000	1,953,000	Total interest.....	967,151	958,944	943,737
Gross taxes not otherwise classified				Dividends and other earnings:			
Less refunds.....	932			Earnings from Government-sponsored enterprises.....	1,107,447	801,662	748,385
Net taxes not otherwise classified.....	-932			Gain by exchange.....	232	149	125
Gross customs	1,123,038	1,101,500	1,133,500	Miscellaneous dividends and earnings.....	3,312	4,167	6,017
Less refunds.....	18,483	18,500	18,500	Total dividends and other earnings.....	1,110,991	805,978	754,527
Net customs.....	1,104,554	1,083,000	1,115,000				

SPECIAL ANALYSIS B—Continued

BUDGET RECEIPTS—Continued

BY SOURCE—Continued

Estimates based on existing and proposed legislation—Continued

[In thousands of dollars]

Source	1960 actual	1961 estimate	1962 estimate	Source	1960 actual	1961 estimate	1962 estimate
Miscellaneous receipts—Continued				Miscellaneous receipts—Continued			
Under existing legislation—Continued				Under existing legislation—Continued			
Rents:				Sale of Government property—Con.			
Rent of land.....	17,843	21,507	23,400	Sale of scrap and salvage materials.....	118,059	137,438	134,699
Rent on Outer Continental Shelf lands.....	226,617	70,000	113,000	Total sale of Government property.....	391,678	425,080	451,415
Rent of real property, not otherwise classified.....	29,272	30,464	29,841	Realization upon loans and investments:			
Rent of equipment and other personal property.....	51,338	56,537	61,562	Repayment of investment in liquidated enterprises and special funds.....	2,028	1,900	1,900
Total rents.....	325,070	178,508	227,803	Repayment of capital investment, Government-sponsored enterprises.....	9	9	9
Royalties:				Repayments of loans to States, municipalities, and other public bodies.....	632	929	745
Royalties on Outer Continental Shelf lands.....	2,840	6,000	7,000	Repayment of domestic loans to individuals and private organizations.....	314,615	339,551	366,606
Miscellaneous royalties on natural resources.....	93,333	110,942	112,269	Repayment of foreign loans.....	110,712	113,928	119,568
Royalties on patents and copyrights.....	22	16	16	Repayments on miscellaneous recoverable costs.....	6,216	5,465	5,237
Total royalties.....	96,195	116,958	119,285	Miscellaneous repayments on loans and investments.....	2,004	1,607	3,177
Sale of products:				Total realization upon loans and investments.....	436,215	463,389	497,242
Sale of agricultural products, livestock, and livestock products.....	184	184	184	Recoveries and refunds:			
Sale of timber, wildlife, and other natural land products.....	187,049	178,110	198,325	Compensation for Government property lost or damaged.....	5,585	6,731	6,695
Sale of minerals and mineral products.....	12,970	10,010	10,010	War reparations and recoveries under military occupation.....	895	4	4
Sale of power and other utilities.....	163,108	182,055	186,044	Recoveries of excess profits and costs.....	14,715	12,640	12,143
Sale of publications and reproductions.....	4,914	4,996	5,156	Recoveries under foreign aid programs.....	59,033	74,005	70,578
Sale of miscellaneous products and byproducts.....	6,014	5,894	5,889	Recoveries on guarantees and indemnities.....	572	236	
Total sale of products.....	374,239	381,249	405,608	Refunds of erroneous payments.....	13,498	13,957	13,959
Fees and other charges for services and special benefits:				Miscellaneous recoveries and refunds.....	20,042	19,527	19,848
Fees and other charges for administrative, professional, and judicial services.....	8,694	14,036	14,488	Proposed legislation.....			(4,000)
Fees and other charges for communication and transportation services.....	8,443	8,546	8,748	Total recoveries and refunds.....	114,342	127,100	123,227
Charges for subsistence, laundry, and health services.....	3,852	3,925	4,614	Gross miscellaneous receipts under existing legislation.....	4,064,358	3,697,821	3,792,175
Charges for testing, inspection, and grading services.....	3,443	3,970	4,161	Under proposed legislation.....			16,500
Fees and other charges for services provided to the District of Columbia.....	4,071	4,581	4,764	Gross miscellaneous receipts under existing and proposed legislation.....	4,064,358	3,697,821	3,808,675
Fees and other charges for special benefits.....	885	1,565	1,077	Less refunds.....	1,897	2,821	1,675
Fees and other charges for general governmental services.....	10,968	12,444	12,718	Net miscellaneous receipts under existing and proposed legislation.....	4,062,461	3,695,000	3,807,000
Charges under intergovernmental defense agreements.....	23,125			Subtotal receipts.....	78,457,433	79,700,000	83,000,000
Fees and other charges for miscellaneous services.....	47,656	52,923	56,924	Deduct interfund transactions (included in both receipts and expenditures).....	693,973	675,966	667,490
Proposed legislation.....			(1,900)	Net budget receipts.....	77,763,460	79,024,034	82,332,510
Total fees and other charges for services and special benefits.....	111,135	101,990	107,494				
Sale of Government property:							
Sale of public domain.....	6,106	7,473	9,621				
Sale of other real property.....	20,293	20,884	8,294				
Sale of equipment and other personal property.....	247,220	259,285	298,801				

SPECIAL ANALYSIS C

ANALYSIS OF THE 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 in part II. 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 in-

cluded 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 some appropriations which might be even more 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 G 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 allowance for contingencies constitutes an additional entry in the tabulations for the years 1961 and 1962.

ANALYSIS OF THE BUDGET

BY FUNCTION AND AGENCY

Based on existing and proposed legislation

[In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
MAJOR NATIONAL SECURITY						
061 Military defense:						
Department of Defense—Military:						
Military personnel.....	11,596,449	11,855,904	12,266,000	11,737,775	12,142,500	12,389,555
Operation and maintenance.....	10,316,510	10,713,888	10,841,945	10,223,389	10,399,905	10,671,451
Procurement.....	13,105,095	13,452,890	13,378,000	14,312,234	13,753,182	14,371,689
Research, development, test, and evaluation.....	4,215,902	4,260,543	4,349,400	3,731,614	4,147,673	4,388,225
Military construction.....	1,363,961	994,855	985,000	1,625,633	1,368,300	1,326,700
Revolving and management funds.....	30,000	30,000	20,000	-415,863	-311,560	-237,620
Total, military defense (military functions).....	40,627,918	41,308,080	41,840,345	41,214,782	41,500,000	42,910,000
062 Military assistance:						
Department of Defense—Military.....	1,331,247	1,800,000	1,800,000	1,609,393	1,700,000	1,750,000
066 Development and control of atomic energy:						
Independent offices: Atomic Energy Commission.....	2,802,172	2,781,277	2,598,050	2,622,959	2,660,000	2,680,000
067 Stockpiling and defense production expansion:						
Funds appropriated to the President.....				130,267	30,200	12,500
General Services Administration.....		22,837	40,000	49,756	40,000	40,000
Total, stockpiling and defense production expansion.....		22,837	40,000	180,023	70,200	52,500
Total, major national security.....	44,761,336	45,912,194	46,278,395	45,627,157	45,930,200	47,392,500
Enacted or recommended in this document.....	44,761,336	45,623,645	46,247,395	45,627,157	45,660,165	47,343,430
Proposed for later transmission.....		288,549	31,000		270,035	49,070
INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Independent offices: Tariff Commission.....	2,135	2,611	2,770	2,088	2,565	2,762
General Services Administration.....				1,897	1,490	
Department of State.....	198,491	210,618	282,076	215,188	210,371	276,975
Total, conduct of foreign affairs.....	200,626	213,229	284,846	219,173	214,426	279,737

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
Based on existing and proposed legislation—Continued
 [In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
INTERNATIONAL AFFAIRS AND FINANCE—Continued						
152 Economic and financial assistance:						
Funds appropriated to the President.....	1,894,566	2,631,350	2,200,000	1,613,491	1,675,000	1,925,000
Independent offices: Export-Import Bank of Washington.....				-323,179	-100,007	-4,271
General Services Administration.....				1,003	275	
Department of Agriculture.....	104,508	115,000	255,685	95,500	275,185	140,868
Department of Commerce.....				8,957	9,000	9,215
Department of Defense—Civil.....				2		
Department of State.....	1,000	1,000	1,000	1,216	1,000	1,000
Treasury Department.....	280,000	73,667	171,656	80,000	73,667	171,656
Total, economic and financial assistance.....	2,280,074	2,821,017	2,628,341	1,476,990	1,934,120	2,243,468
153 Foreign information and exchange activities:						
Independent offices: United States Information Agency.....	127,033	130,147	140,480	113,302	124,856	138,463
Department of State.....	64,534	43,013	48,290	23,972	37,014	50,000
Total, foreign information and exchange activities.....	191,567	173,160	188,770	137,274	161,870	188,463
Total, international affairs and finance.....	2,672,267	3,207,406	3,101,957	1,833,437	2,310,416	2,711,668
Enacted or recommended in this document.....	2,672,267	2,541,245	3,052,957	1,833,437	2,299,647	2,598,276
Proposed for later transmission.....		666,161	49,000		10,769	113,392
VETERANS SERVICES AND BENEFITS						
101 Veterans education and training:						
Independent offices: Veterans Administration.....	453,488	213,129	71,578	382,623	233,129	128,040
102 Other veterans readjustment benefits:						
Independent offices: Veterans Administration.....	131,512	130,871	8,798	131,615	131,116	77,277
Department of Labor.....	4,540			4,540		
Total, other veterans readjustment benefits.....	136,052	130,871	8,798	136,155	131,116	77,277
103 Veterans compensation and pensions:						
Independent offices: Veterans Administration.....	3,400,000	3,800,000	3,568,000	3,368,224	3,604,720	3,798,000
104 Veterans insurance and servicemen's indemnities:						
Independent offices: Veterans Administration.....	53,691	49,450	39,855	33,015	31,470	27,304
105 Veterans hospitals and medical care:						
Independent offices: Veterans Administration.....	947,763	1,065,905	1,100,224	961,028	1,045,025	1,090,588
106 Other veterans services and administration:						
Independent offices:						
American Battle Monuments Commission.....	1,295	1,320	1,360	2,873	2,400	1,940
Veterans Administration.....	167,639	167,206	162,046	166,786	168,869	162,170
Department of Defense—Civil.....	8,964	9,400	10,440	8,386	9,600	9,700
Department of Labor.....	592	632	633	577	638	633
Total, other veterans services and administration.....	178,490	178,558	174,479	178,622	181,507	174,443
Total, veterans services and benefits.....	5,169,484	5,437,913	4,962,934	5,059,667	5,226,967	5,295,652
Enacted or recommended in this document.....	5,169,484	5,379,451	4,962,934	5,059,667	5,171,890	5,292,267
Proposed for later transmission.....		58,462			55,077	3,385
LABOR AND WELFARE						
211 Labor and manpower:						
Independent offices:						
Federal Coal Mine Safety Board of Review.....	70	70	70	53	70	70
Federal Mediation and Conciliation Service.....	3,905	4,166	4,388	3,846	4,201	4,370
National Labor Relations Board.....	15,280	18,213	18,880	14,650	18,048	18,800
National Mediation Board.....	1,437	1,604	1,604	1,377	1,576	1,604
Selective Service System.....	29,278	33,169	34,475	28,577	32,795	34,514
Department of the Interior.....	6,637	7,107	7,220	6,377	7,450	6,900
Department of Labor.....	360,567	312,497	47,390	353,990	182,804	5,685
Treasury Department.....	2,553			2,553		
Total, labor and manpower.....	419,727	376,826	114,027	411,423	146,944	71,943
212 Public assistance:						
Department of Health, Education, and Welfare.....	2,040,182	2,163,528	2,316,190	2,061,453	2,162,329	2,315,279

¹Includes reduction of \$314,352 thousand, reflecting proposed rescission of appropriations for employment security now provided from the Unemployment trust fund.

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
 Based on existing and proposed legislation—Continued

[In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
LABOR AND WELFARE—Continued						
213 Promotion of public health:						
Independent offices: Interstate Commission on the Potomac River Basin.....	5	5	5	5	5	5
General Services Administration.....				3,113	1,200	400
Department of Health, Education, and Welfare.....	913,100	1,126,966	1,127,527	814,558	970,249	1,093,926
Total, promotion of public health.....	913,105	1,126,971	1,127,532	817,676	971,454	1,094,331
214 Promotion of education:						
Legislative branch.....	1,619	1,723	1,786	1,320	2,010	1,767
Independent offices: National Science Foundation.....	69,073	69,945	73,908	56,820	65,135	68,568
Department of Health, Education, and Welfare.....	473,180	512,373	469,715	452,002	497,706	502,586
Department of the Interior.....	60,835	66,592	71,521	58,532	62,292	67,410
Total, promotion of education.....	604,707	650,633	616,930	568,674	627,143	640,331
215 Promotion of science, research, libraries, and museums:						
Legislative branch.....	11,376	12,330	16,020	10,696	13,454	13,590
Funds appropriated to the President.....				458	1,297	1,077
Independent offices:						
National Science Foundation.....	85,700	105,855	138,092	63,498	89,865	119,432
Smithsonian Institution.....	9,552	23,510	16,917	12,599	23,981	35,162
Department of Commerce.....	129,389	83,436	93,517	116,862	66,107	73,185
Department of Health, Education, and Welfare.....	6,131	8,869	7,500	7,037	7,986	8,416
Total, promotion of science, research, libraries, and museums.....	242,148	234,000	272,046	211,150	202,690	250,862
216 Correctional and penal institutions:						
Department of Justice.....	51,275	58,404	52,200	45,913	49,338	52,200
217 Other welfare services and administration:						
Department of Agriculture.....	220,388	229,668	421,181	234,013	245,100	249,500
Department of Health, Education, and Welfare.....	81,979	97,201	104,767	68,298	78,056	84,383
Total, other welfare services and administration.....	302,367	326,869	525,948	302,311	323,156	333,883
Total, labor and welfare.....	4,573,511	4,937,231	5,024,873	4,418,600	4,483,054	4,758,829
Enacted or recommended in this document.....	4,573,511	4,902,782	4,811,837	4,418,600	4,663,528	4,620,606
Proposed for later transmission.....		34,449	213,036		¹ —180,474	138,223
AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Stabilization of farm prices and farm income:						
Department of Agriculture.....	3,573,383	2,963,531	3,017,486	3,278,038	3,264,034	3,395,917
352 Financing farm ownership and operation:						
Independent offices: Farm Credit Administration.....	2,373	2,589	2,590	—3,114	4,000	3,928
Department of Agriculture.....	262,990	301,099	224,642	248,729	263,552	230,634
Total, financing farm ownership and operation.....	265,363	303,688	227,232	245,615	267,552	234,562
353 Financing rural electrification and rural telephones:						
Department of Agriculture.....	274,632	320,024	255,024	330,422	327,863	340,024
354 Conservation and development of agricultural land and water resources:						
Department of Agriculture.....	709,849	749,567	753,024	691,517	740,599	773,135
355 Research, and other agricultural services:						
Department of Agriculture.....	327,418	358,851	352,098	292,536	335,702	357,231
Total, agriculture and agricultural resources.....	5,150,645	4,695,661	4,604,864	4,838,128	4,935,750	5,100,869
Enacted or recommended in this document.....	5,150,645	4,672,995	4,585,483	4,838,128	4,914,306	5,080,266
Proposed for later transmission.....		22,666	19,381		21,444	20,603

¹Includes reduction of \$314,352 thousand, reflecting proposed rescission of appropriations for employment security now provided from the Unemployment trust fund.

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
Based on existing and proposed legislation—Continued
 [In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
NATURAL RESOURCES						
401 Conservation and development of land and water resources:						
Independent offices:						
Federal Power Commission.....	7,273	8,231	8,850	7,206	8,150	8,847
U.S. Study Commission—Southeast River Basins.....	740	1,550	1,380	565	1,450	1,500
U.S. Study Commission—Texas.....	800	1,325	540	580	1,250	800
Saint Lawrence Seaway Development Corporation.....				6,122	3,200	2,000
Tennessee Valley Authority.....	764,904	20,520	29,703	11,848	54,985	103,345
Department of Defense—Civil.....	872,637	935,481	931,670	867,156	930,000	930,000
Department of the Interior.....	390,046	428,550	440,382	336,525	393,980	453,881
Department of State.....	4,583	11,862	17,757	4,546	9,197	15,164
Total, conservation and development of land and water resources.....	2,040,983	1,407,519	1,430,282	1,234,549	1,402,212	1,515,537
402 Conservation and development of forest resources:						
Department of Agriculture.....	210,374	323,731	229,842	204,893	246,961	292,676
Department of the Interior.....	14,900	16,361	18,502	14,899	16,362	18,502
Total, conservation and development of forest resources.....	225,274	340,092	248,344	219,792	263,323	311,178
403 Conservation and development of mineral resources:						
Department of the Interior.....	60,341	74,742	82,114	65,189	65,680	66,938
404 Conservation and development of fish and wildlife:						
Department of Defense—Civil.....	26	31	31	24	31	31
Department of the Interior.....	65,531	73,096	83,462	66,680	73,142	81,861
Department of State.....	1,725	1,896	1,959	1,702	1,918	1,957
Total, conservation and development of fish and wildlife.....	67,282	75,023	85,452	68,406	75,091	83,849
405 Recreational use of natural resources:						
Independent offices:						
Historical and memorial commissions.....	20			19	2	
Outdoor Recreation Resources Review Commission.....	850	950	550	495	1,250	695
Department of the Interior.....	85,551	93,899	104,794	73,283	86,000	100,000
Total, recreational use of natural resources.....	86,421	94,849	105,344	73,797	87,252	100,695
409 General resource surveys and administration:						
Department of the Interior.....	52,213	56,448	60,616	51,174	57,578	60,134
Total, natural resources.....	2,532,514	2,048,673	2,012,152	1,712,907	1,951,136	2,138,331
Enacted or recommended in this document.....	2,532,514	1,909,740	2,012,152	1,712,907	1,898,559	2,063,975
Proposed for later transmission.....		138,933			52,577	74,356
COMMERCE, HOUSING, AND SPACE TECHNOLOGY						
510 Promotion of water transportation:						
Department of Commerce.....	303,050	302,834	292,588	269,316	278,711	338,178
Department of Defense—Civil.....				499	16,069	10,279
Treasury Department.....	258,050	281,450	295,750	238,132	261,806	272,083
Total, promotion of water transportation.....	561,100	584,284	588,338	507,947	556,586	620,540
511 Provision of highways:						
Department of Commerce.....	36,000	36,500		38,049	39,067	285
512 Promotion of aviation:						
Independent offices:						
Civil Aeronautics Board.....	62,349	89,374	84,235	60,395	86,944	81,700
Federal Aviation Agency.....	573,495	690,424	686,000	507,947	640,000	729,537
Department of Commerce.....				—1	—20	
Total, promotion of aviation.....	635,844	779,798	770,235	568,341	726,924	811,237
513 Space exploration and flight technology:						
Independent offices: National Aeronautics and Space Administration.....	523,575	964,606	1,109,630	401,034	770,000	965,000
514 Postal service:						
Post Office Department.....	646,221	² 727,639	² 62,700	525,016	² 785,609	² 62,700
515 Community development and facilities:						
General Services Administration.....				10	5	
Housing and Home Finance Agency.....	359,375	360,000	314,000	125,466	182,621	238,213
Department of the Interior.....	350	300	108	4,650	1,690	398
Total, community development and facilities.....	359,725	360,300	314,108	130,126	184,316	238,611

² Includes proposed postal rate increases of \$160,000 thousand in 1961 and \$843,100 thousand in 1962.

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
 Based on existing and proposed legislation—Continued
 [In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
COMMERCE, HOUSING, AND SPACE TECHNOLOGY—Continued						
516 Public housing programs:						
Independent offices: National Capital Housing Authority.....	40	40	40	43	40	40
Housing and Home Finance Agency.....	141,830	165,568	183,450	134,032	153,088	170,380
Total, public housing programs.....	141,870	165,608	183,490	134,075	153,128	170,420
517 Other aids to housing:						
Independent offices:						
Federal Home Loan Bank Board.....				-20,167	-35,166	³ -228,414
Veterans Administration.....	250,000	150,000	150,000	206,283	100,138	85,477
Housing and Home Finance Agency.....	312,754	593,909	450,181	49,566	208,540	319,321
Department of Agriculture.....				43,250	39,947	1,900
Total, other aids to housing.....	562,754	743,909	600,181	278,932	313,459	178,284
518 Other aids to business:						
Legislative branch.....	1,450	1,589	1,617	1,438	1,572	1,618
Independent offices:						
Alaska International Rail and Highway Commission.....				119	106	
Atomic Energy Commission.....				-12		
Small Business Administration.....	154,940	45,543	23,830	62,816	67,809	94,255
General Services Administration.....				-3,609	-2,371	-2,077
Department of Commerce.....	48,719	62,334	152,720	49,167	57,792	75,559
Department of Defense—Civil.....				22	75	-2,626
Department of the Interior.....				-217	1,000	-1,113
Treasury Department.....				-14,262	-2,064	-3,791
Total, other aids to business.....	205,109	109,466	178,167	95,462	123,919	161,825
519 Regulation of commerce and finance:						
Independent offices:						
Civil Aeronautics Board.....	6,925	7,852	8,950	6,832	7,747	8,800
Federal Communications Commission.....	10,550	13,789	12,525	10,367	12,250	13,500
Federal Trade Commission.....	6,840	8,010	9,640	6,751	7,958	9,540
Interstate Commerce Commission.....	19,650	21,451	22,200	19,405	21,998	22,114
Securities and Exchange Commission.....	8,100	9,517	10,915	8,126	9,362	10,865
Department of Commerce.....	2,800	3,185	3,480	2,788	3,142	3,466
Department of Health, Education, and Welfare.....				-171	-32	-84
Department of Justice.....	4,500	5,074	5,500	4,325	4,896	5,322
Total, regulation of commerce and finance.....	59,365	68,878	73,210	58,423	67,321	73,523
520 Civil and defense mobilization:						
Executive Office of the President: Office of Civil and Defense Mobilization.....	52,885	61,088	104,200	45,755	50,000	81,000
Treasury Department.....				-145	-136	-138
Total, civil and defense mobilization.....	52,885	61,088	104,200	45,610	49,864	80,862
521 Disaster insurance, loans, and relief:						
Funds appropriated to the President.....			6,000	1,639	4,000	4,000
Independent offices: Small Business Administration.....		10,400	2,800	-2,427	9,549	3,257
Total, disaster insurance, loans, and relief.....		10,400	8,800	-788	13,549	7,257
Total, commerce, housing, and space technology.....	3,784,448	4,612,476	3,993,059	2,782,227	3,783,742	3,370,544
Enacted or recommended in this document.....	3,784,448	4,409,921	4,749,159	2,782,227	3,616,849	4,400,144
Proposed for later transmission.....		² 202,555	² -756,100		² 166,893	^{2,3} -1,029,600

¹ Includes proposed postal rate increases of \$160,000 thousand in 1961 and \$843,100 thousand in 1962.
² Includes proposed temporary premium rate increase of \$164,000 thousand for the Federal Home Loan Bank Board.

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
 Based on existing and proposed legislation—Continued

[In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
GENERAL GOVERNMENT						
601 Legislative functions:						
Legislative branch.....	98,665	103,688	100,113	108,939	137,181	130,231
602 Judicial functions:						
Legislative branch.....	30	35	38	29	36	38
The judiciary.....	49,125	52,881	56,051	48,614	52,774	55,789
Independent offices: Indian Claims Commission.....	180	206	280	176	200	285
General Services Administration.....				15		
Total, judicial functions.....	49,335	53,122	56,369	48,834	53,010	56,112
603 Executive direction and management:						
Executive Office of the President.....	10,256	11,217	11,447	9,850	11,270	11,459
Funds appropriated to the President.....	1,125	1,165	1,350	365	1,399	1,330
General Services Administration.....	200	250	300	174	249	300
Treasury Department.....	1,294	1,434	1,441	1,279	1,460	1,441
Total, executive direction and management.....	12,875	14,066	14,538	11,668	14,378	14,530
604 Central fiscal operations:						
Independent offices:						
General Accounting Office.....	41,800	42,179	43,000	38,178	40,893	42,931
Renegotiation Board.....	2,850	3,015	3,000	2,769	3,024	3,000
Tax Court of the United States.....	1,535	1,630	1,770	1,472	1,649	1,760
Treasury Department.....	519,023	579,140	619,841	515,455	573,946	616,225
Total, central fiscal operations.....	565,208	625,964	667,611	557,874	619,512	663,916
605 General property and records management:						
Independent offices: Central Intelligence Agency.....				11,807	17,115	9,000
General Services Administration.....	282,305	496,033	516,005	355,578	400,351	457,584
Total, general property and records management.....	282,305	496,033	516,005	367,385	417,466	466,584
606 Central personnel management and employment costs:						
Independent offices: Civil Service Commission.....	21,608	73,656	50,427	21,024	73,674	50,320
Department of Labor.....	189,471	211,652	216,334	190,120	211,789	216,309
Total, central personnel management and employment costs.....	211,079	285,308	266,761	211,144	285,463	266,629
607 Civilian weather services:						
Department of Commerce.....	51,355	60,497	69,865	54,033	57,329	66,335
608 Protective services and alien control:						
Independent offices:						
Civil Service Commission.....	362	400	438	370	401	434
Commission on Civil Rights.....	780	888	302	778	874	386
Subversive Activities Control Board.....	380	395	395	284	320	375
Department of Justice.....	211,310	233,116	239,526	207,726	231,071	236,04
Treasury Department.....	8,546	8,732	9,362	8,063	8,787	9,394
Total, protective services and alien control.....	221,378	243,531	250,023	217,221	241,453	247,293
609 Territories and possessions, and the District of Columbia:						
Independent offices:						
National Capital Planning Commission.....	2,686	685	1,973	1,337	2,435	3,176
National Capital Transportation Agency.....		250	975		227	949
Department of Defense—Civil.....	45,052	32,779	30,065	25,581	29,730	36,452
Department of the Interior.....	12,879	19,616	19,053	12,693	19,302	17,796
Treasury Department.....	22,698	23,000	23,000	22,934	22,990	23,000
District of Columbia.....	61,518	78,833	63,353	28,118	47,847	66,013
Total, territories and possessions, and the District of Columbia.....	144,833	155,163	138,419	90,663	122,531	147,386

SPECIAL ANALYSIS C—Continued
ANALYSIS OF THE BUDGET—Continued
 BY FUNCTION AND AGENCY—Continued
 Based on existing and proposed legislation—Continued

[In thousands of dollars]

Function and agency	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1960 actual	1961 estimate	1962 estimate	1960 actual	1961 estimate	1962 estimate
GENERAL GOVERNMENT—Continued						
610 Other general government:						
Legislative branch.....	3,546	4,070	4,081	3,331	710	-514
The judiciary.....	749			749		
Funds appropriated to the President.....	10,500	6,000	6,000	10,386	6,098	6,000
Independent offices:						
Advisory Commission on Intergovernmental Relations.....	50	144	375	35	149	363
Commission on International Rules of Judicial Procedure.....				25		
Foreign Claims Settlement Commission.....	414	506	725	430	503	701
Historical and memorial commissions.....	425	118	100	408	315	100
Department of Defense—Civil.....				607	219	
Department of the Interior.....	312	220	221	350	524	293
Treasury Department.....	11,118	24,901	5,002	11,304	25,161	5,002
Total, other general government.....	27,114	35,959	16,504	27,625	33,679	11,945
Total, general government	1,664,147	2,073,331	2,096,208	1,695,386	1,982,002	2,070,961
Enacted or recommended in this document.....	1,664,147	1,941,937	2,140,845	1,695,386	1,854,786	2,111,421
Proposed for later transmission.....		131,394	⁴ -44,637		127,216	⁴ -40,460
INTEREST						
651 Interest on the public debt:						
Treasury Department.....	9,179,589	8,900,000	8,500,000	9,179,589	8,900,000	8,500,000
652 Interest on refunds of receipts:						
General Services Administration.....		400		57	425	30
Treasury Department.....	76,438	82,764	82,764	76,438	82,764	82,764
Total, interest on refunds of receipts.....	76,438	83,164	82,764	76,495	83,189	82,794
653 Interest on uninvested funds:						
Treasury Department.....	9,792	9,859	10,107	9,792	9,859	10,107
Total, interest	9,265,819	8,993,023	8,592,871	9,265,876	8,993,048	8,592,901
Enacted or recommended in this document.....	9,265,819	8,992,748	8,592,871	9,265,876	8,992,848	8,592,871
Proposed for later transmission.....		275			200	30
ALLOWANCE FOR CONTINGENCIES						
Total.....	79,574,171	82,067,908	80,867,313	77,233,385	79,621,315	81,532,255
RECAPITULATION						
Enacted or recommended in this document.....	79,574,171	80,374,464	81,155,633	77,233,385	79,072,578	82,103,256
Proposed for later transmission.....		1,693,444	-288,320		548,737	-571,001
Total.....	79,574,171	82,067,908	80,867,313	77,233,385	79,621,315	81,532,255
Deduct interfund transactions (included in both receipts and expenditures).....				693,973	675,966	667,490
Total new obligational authority and expenditures	79,574,171	82,067,908	80,867,313	76,539,412	78,945,349	80,864,765

⁴ Includes proposal to charge to the trust fund civil service benefits amounting to \$44,637 thousand for certain widows and retired employees.

SPECIAL ANALYSIS D

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

This special analysis is designed to contribute to a general understanding of the Federal budget by dividing Government expenditures into two major categories: (1) expenditures yielding benefits primarily in the current year and (2) expenditures yielding benefits primarily beyond the year in which they are made.

Expenditures yielding benefits over a period of years, that is, those of an investment type, are shown in two main classes—the first for acquisition of assets by the Federal Government, and the second for other broad developmental purposes. Additions to Federal assets include expenditures for loans, for public works, for increases in major commodity inventories, for major equipment (such as ships, aircraft, and missiles), and for other physical assets. Expenditures for other developmental purposes are defined as those which add to State, local, and private physical assets or otherwise contribute to the general productivity of the economy. Included in this category are outlays for research and development, education and health, and other programs which add to the Nation's fund of knowledge and technical skills.

Expenditures which yield mainly current benefits are also grouped in two main classes—the first for aids and services to specific groups, such as agriculture, business, and veterans, and the second for services and current operating expenses of a more general nature.

In each category of this analysis, major national security expenditures are reported separately from those for all other (civil) programs. Such a distinction is especially helpful in appraising Federal expenditures for assets and other developmental purposes, since military outlays generally have different objectives from civil outlays in comparable categories. Similarly, expenditures for direct Federal programs are separated from grants-in-aid or loans to States and local governments.

Comparison with a capital budget.—The present 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. Capital outlays of these governments may be entirely excluded from the current budget, or they may be amortized over a period of years by annual charges to the budget. In its concept of the budget totals and in its summary tables, however, the United States Federal Budget treats investment items in the same way as outlays for other purposes; both types are considered as expenditures in determining the budget surplus or deficit.

Moreover, a capital budget might well include annual allowances for depreciation and obsolescence on existing physical assets, allowances for anticipated losses on loan programs, recognition of assets received as gifts or donated to others, and cognizance of profit or loss on sales of assets at figures different from their book values. 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 new investment is offset by the consumption of existing assets.

Recovery of certain types of expenditures.—Certain expenditures for assets are offset in whole or in part by receipts to the Treasury in the form of sales, specific charges, or recoveries. This is the case with respect to many loans, investment in commodity inventories, construction of powerplants, and outlays for range and forest improvements on the public domain. Where such activities are carried on through revolving funds, receipts are credited directly against the expenditures, and the expenditure amounts in the budget and in special analysis D are net of receipts. In other cases, the receipts are counted as miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Federal expenditures for most investment type programs are not generally expected to be recovered by specific revenues. Nonetheless, investment and developmental expenditures increase the wealth and income of the Nation, both directly and indirectly, thus expanding potential Federal revenues over a period of years.

SUMMARY

Expenditures for the acquisition of assets and for other developmental purposes are estimated to be \$32 billion in 1962, compared to \$29.9 billion in 1961. Current expenses for aids, services, and operations will total about \$49.5 billion, compared to \$49.7 billion for 1961.

Table 1.—SUMMARY OF INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Additions to Federal assets:			
Civil.....	3,148	4,070	4,846
Major national security.....	16,203	15,406	15,875
Expenditures for other development purposes:			
Civil.....	3,018	3,705	4,159
Major national security.....	6,327	6,734	7,098
Current expenses for aids and special services:			
Civil.....	13,624	14,032	13,458
Major national security.....	1,647	1,674	1,723
Other services and current operating expenses:			
Civil:			
Interest.....	9,266	8,993	8,593
Other.....	2,550	2,868	2,984
Major national security.....	21,451	22,116	22,696
Allowance for contingencies.....		25	100
Subtotal.....	77,233	79,621	81,532
Deduct interfund transactions (included in both receipts and expenditures).....	694	676	667
Grand total.....	76,539	78,945	80,865
Civil.....	31,606	33,693	34,140
Major national security.....	45,628	45,930	47,392

ADDITIONS TO FEDERAL ASSETS

Expenditures representing direct investment by the Federal Government in loans and federally owned physical assets are expected to amount to \$20.7 billion in 1962,

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

compared to \$19.5 billion in 1961. As in other recent years, the bulk of the total (77% in 1962) is for major national security programs, mostly for military equipment. Public works account for 45% and loans for 43% of estimated additions to civil assets in 1962.

Table 2.—ADDITIONS TO FEDERAL ASSETS
[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Loans:			
Civil.....	312	1,625	2,102
Major national security.....	-13	-13	-28
Public works—sites and direct construction:			
Civil.....	1,633	1,974	2,189
Major national security.....	1,835	1,597	1,583
Major commodity inventories—net change:			
Civil.....	1,032	214	217
Major national security.....	87	49	46
Major equipment:			
Civil.....	80	83	98
Major national security.....	12,802	12,371	12,871
Other physical assets—acquisition and improvement:			
Civil.....	91	174	240
Major national security.....	1,492	1,402	1,403
Total additions to Federal assets.....	19,352	19,476	20,721

Loans.—In addition to direct loans by Federal agencies, this category includes financial investments such as capital subscriptions to mixed-ownership or international organizations, but does not include loans or investments of such enterprises. The direct loans which are included consist primarily of loans to farmers and homeowners, to public and private agencies serving these two groups, and to foreign governments.

For two reasons, net expenditures for loans as reported in this analysis reflect only a fraction of total Government lending activity. First, although expenditures under a few loan programs, such as those of the Rural Electrification Administration and the Farmers Home Administration, are shown on a gross basis, most direct loan programs in the budget are financed on a revolving fund basis and are shown net of receipts. Second, the mortgage acquisitions of the Federal National Mortgage Association trust fund are not included in this analysis, which deals only with budget expenditures. In 1962 an estimated \$720 million of net expenditures will be made from this trust fund in support of the Association's secondary mortgage market operations.

Net budget expenditures for loans in 1962 are estimated to be \$2.1 billion, compared to \$1.6 billion in 1961. Most of this increase is for lending and related financial assistance to foreign borrowers, estimated to rise from \$424 million in 1961 to \$751 million in 1962, reflecting greater lending activity by the Development Loan Fund under the mutual security program, a shift from net recoveries to net loan disbursements of \$89 million by the Export-Import Bank, and a payment of \$110 million by the Treasury Department as the second installment of the U.S. subscription to the Inter-American Development Bank. Loans by the Commodity Credit Corporation are expected to exceed repayments by \$83 million in 1962, while repayments are expected to exceed disbursements by \$151 million in 1961. CCC loans are secured by agricultural commodities. Forfeitures of such collateral are regarded as loan repayments, but result in additions to CCC inventories shown elsewhere in this special analysis.

A more comprehensive analysis of major Federal credit programs, which includes loan guarantees as well as direct loans, and which summarizes also new commitments, outstanding loans and guarantees and other relevant facts about 22 major Federal credit programs, is being published separately and can be obtained upon request from the Bureau of the Budget.

Public works—sites and direct construction.—Included in this category are Federal expenditures for sites, for Federal civil public works projects, and for military installations and other national security facilities, including those outside the continental United States. Estimated expenditures for direct Federal public works in 1962 are \$3.8 billion, compared to \$3.6 billion in 1961. Civil public works expenditures will be about \$2.2 billion, or \$215 million higher than in 1961, reflecting mainly increases for water resources projects of the Bureau of Reclamation, for power and navigation facilities to be constructed by the TVA, and for construction of Federal office buildings. Expenditures for water resources and related projects in 1962 will amount to approximately \$1.2 billion. Total outlays will be mostly for work already under way; starts on 37 proposed new projects by the Corps of Engineers and the Bureau of Reclamation entail estimated expenditures of \$11 million for 1962.

Major national security construction, which accounts for 42% of 1962 Federal public works, is expected to decrease slightly. Construction of Strategic Air Command dispersal bases and alert facilities and construction of basic air defense installations will be virtually completed. Decreased expenditures in these areas will be only partly offset by increases for missile base construction.

A more comprehensive analysis of Federal activities in public works and other construction is being published separately and can be obtained upon request from the Bureau of the Budget.

Major commodity inventories.—Net expenditures for major purchases of commodities held for resale or in stockpiles are expected to be \$263 million in 1962, the same as in 1961. Net additions to the inventory of farm commodities held by the Commodity Credit Corporation under its farm price-support program are estimated to be \$202 million, little changed from 1961. Such additions to CCC inventories amounted to over \$1 billion in 1960, offset in that year by decreases in outstanding CCC loans. Expenditures for the stockpiling of strategic and critical materials (other than fissionable) and for purchases of defense materials are expected to decline from \$49 million in 1961 to \$46 million in 1962, since most of the objectives for the strategic stockpile have been met.

Major equipment.—Expenditures for major equipment are estimated at \$12.5 billion in 1961 and at \$13 billion in 1962. These expenditures are almost entirely for aircraft, missiles, ships, and other major national security equipment. While military missiles have many of the characteristics of such expendable supplies as ammunition, their acquisition cost is included in this analysis under additions to assets because they may remain in inventory for several years and are in many cases replacing aircraft or other durable assets. Purchases of office equipment, furniture, fixtures, automobiles, and similar items are not included in this category, but are treated as current operating expenses.

Other physical assets—acquisition and improvement.—Expenditures for other physical assets are estimated to be \$1.6 billion in both 1961 and 1962. The major national

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

security portion, which includes mainly the procurement of uranium concentrates and production of special nuclear materials and weapons by the Atomic Energy Commission, is expected to account for 85% of these expenditures in 1962. Civil expenditures in this category, which include reforestation and range improvements on Federal lands and the acquisition of real property, are estimated to increase by \$66 million, mainly because of the purchase by the Forest Service of certain forest lands of the Klamath Indians as required by law.

EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES

This category includes Federal expenditures which augment State and local or private physical assets or which add to the productivity of the economy over a period of years, but which do not directly augment Federal physical and financial assets. Disbursements which appear to yield the bulk of their benefits in the current year are excluded, even though they may also contribute to the longer run economic development of the Nation.

Table 3.—EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES
[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
State and local physical assets.....	303	344	346
Private physical assets.....	836	908	957
Education, training, and health:			
Civil.....	839	961	1,018
Major national security.....	12	15	15
Research and development:			
Civil.....	972	1,412	1,750
Major national security.....	6,315	6,719	7,083
Engineering and natural resource surveys.....	68	80	87
Total expenditures for other developmental purposes.....	9,345	10,438	11,257

State and local physical assets.—In 1962 the Federal Government will spend an estimated \$346 million through grants-in-aid for additions to physical assets of State and local governments, primarily for the construction of hospitals, airports, waste-treatment works, watershed protection projects, schools in federally affected areas, and other facilities. This amount does not include estimated grants of \$3 billion in 1962 for the Federal-aid highway system, which are made from the separately financed highway trust fund rather than from budget funds.

Private physical assets.—Federal expenditures which directly augment privately owned physical assets consist predominantly of (1) payments and technical assistance for conservation and improvement of private farms, including rental payments under the conservation reserve program and cost-sharing payments under the agricultural conservation program; (2) grants to States for the building of private hospitals and other health facilities; and (3) construction subsidies for merchant ships. Total outlays in this category are estimated at \$957 million in 1962, compared to \$908 million in 1961.

Education, training, and health.—Included in this category for 1962 are an estimated \$1 billion of budget expenditures, about one-half of which take the form of grants to State and local governments. These include school operating aid to local school districts affected by

the presence of Federal Government installations, grants under the National Defense Education Act of 1958, and grants to States for public health, vocational education, maternal and child welfare, and agricultural extension work. The largest of the direct Federal programs are the activities of the Public Health Service and the support of science education by the National Science Foundation.

A number of programs classified elsewhere in this special analysis have similar developmental aspects which are, however, secondary to their principal purposes. Examples are the veterans educational activities, the operating expenses of military and veterans 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 progress through the conduct of varied programs of research and development. Expenditures for these programs are estimated at \$8.8 billion in 1962, or \$703 million more than in 1961, not including expenditures for research and development equipment and facilities shown elsewhere in this special analysis. Most of the 1962 total is for the research and development activities of the Department of Defense and the Atomic Energy Commission, where the emphasis will be on missiles, nuclear weapons, nuclear propulsion systems, civilian atomic power reactors, and basic research in the physical sciences. Civil space projects carried on by the National Aeronautics and Space Administration entail estimated expenditures of \$819 million for 1962, an increase of 26% over the amount for 1961. Other research and development efforts include—but are not limited to—programs for health, agriculture, basic scientific research, and mineral products.

Engineering and natural resource surveys.—An estimated \$87 million of expenditures in 1962 will be devoted to surveys and charts for marine and air navigation, investigations and surveys for public works programs, topographic mapping, geologic and mineral resource surveys, land classification, forest investigations, and other basic surveys. The largest programs of these types are administered by the Bureau of Reclamation, the Coast and Geodetic Survey, and the Corps of Engineers.

CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES

This category covers expenditures which provide aids or special services to specific groups primarily in the year in which they are made, including administrative and other operating expenses attributable to the investment-type programs discussed previously and the costs of maintaining the related physical assets. Benefits accruing to various groups through tax provisions or other Government aids which do not call for expenditures are not included in this analysis.

Significant amounts of expenditures from certain of the trust funds also yield current aid to specific groups. For example, trust fund payments in 1962 are expected to include \$12 billion in old-age and survivors insurance benefits and \$2.8 billion in withdrawals by States to pay unemployment benefits. (See part III for a more complete treatment of trust fund transactions.) However, these amounts are excluded from special analysis D, which is confined to budget expenditures. Budget expenditures for aids and special services are estimated at \$15.2 billion in 1962, compared to \$15.7 billion in 1961.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Table 4.—CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES
[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Agriculture.....	3,458	3,392	3,300
Business:			
Civil.....	1,278	1,632	1,017
Major national security.....	65	(¹)	(¹)
Labor.....	324	15	14
Homeowners and tenants.....	30	52	-40
Veterans.....	4,838	4,999	5,113
International:			
Civil.....	1,323	1,517	1,497
Major national security.....	1,582	1,674	1,723
Other aids and special services.....	2,373	2,425	2,557
Total current expenses for aids and special services.....	15,270	15,705	15,181

¹ Less than one-half million dollars.

Agriculture.—Budget expenditures for current aids and services to farmers are estimated at \$3.3 billion in 1962, compared to \$3.4 billion in 1961. These expenditures consist chiefly of costs and losses stemming from the price-support program and the sale of surplus commodities for foreign currencies.

Farmers also derive particular benefits from major expenditures classified elsewhere in this analysis, such as expenditures for loans, acquisition of farm commodities, conservation payments, water development projects, the school lunch program, and various international and other programs not designed primarily for the support of agriculture.

Business.—Expenditures primarily benefiting private business are estimated at \$1 billion in 1962, compared to \$1.6 billion in 1961. This decrease reflects mainly the proposed increase in postal rates designed to eliminate the postal deficit now covered by budgetary expenditures. The major expenditures in this category are for aids to air and sea navigation and for maritime operating subsidies.

Labor.—In accordance with the Social Security Act Amendments of 1960, grants-in-aid to the States for administering State employment and unemployment compensation services (and the related Federal Unemployment Tax Act receipts) are now accounted for in the unemployment trust fund rather than in the budget. This accounting shift is responsible for the sharp reduction in budget expenditures estimated for labor after 1960. Included in the expenses for aids and special services to labor are the mine safety work of the Bureau of Mines and certain administrative expenses of the Department of Labor.

Homeowners and tenants.—Expenditures classified as yielding current benefits to these groups consist chiefly of (1) capital grants for slum clearance and urban renewal projects; (2) annual contributions to local authorities for low-rent public housing projects; and (3) administrative expenses for all housing programs. Receipts from the insurance of mortgages and saving and loan share accounts and the earnings from holdings of mortgages and other housing loans are estimated to exceed current expenditures for housing in 1962. This estimate reflects proposed legislation to increase by \$164 million

the premiums paid by insured savings and loan associations to the Federal Savings and Loan Insurance Corporation, to help build up needed insurance reserves of the Corporation.

Loans and mortgage purchases for the benefit of homeowners and tenants are not included in this category but are classified in this analysis as additions to Federal assets.

Veterans.—Expenditures for current aids and services to veterans are estimated at \$5.1 billion in 1962, compared to \$5 billion in 1961. Increases in expenditures for pensions and for hospital and medical care are expected to be partly offset by a decrease in readjustment benefits. Compensation and pension benefits combined account for 74% of estimated total expenditures in this category in 1962. Compensation payments made for disabilities or deaths resulting from service will be at about the same level in 1962 as in 1961; expenditures for non-service-connected pensions are estimated to increase by \$205 million. Readjustment benefits in this category, which in 1962 will be mainly for those who served in the Korean conflict, include education and training for veterans who enroll in schools and colleges and vocational rehabilitation and other assistance for disabled veterans.

International.—Almost all of the estimated expenditures in this category in 1962 are for grants under the mutual security program. Expenditures of \$1.7 billion are estimated in 1962 under the military assistance portion of the program, with which military equipment and training are furnished to friendly nations. Expenditures of \$1.4 billion are expected in 1962 for the economic portion of the program (excluding loans); this aid is designed mainly to enable friendly nations to meet the economic burdens imposed by the maintenance of adequate defense forces, maintain political and economic stability, and build the foundations for growth. The amounts in the present category are in addition to loans to foreign countries, counted in this analysis as additions to Federal assets.

Other aids and special services.—Many other Federal programs involve budget expenditures for current aids and special services for more than one of these groups or for other groups. The bulk of these expenditures consists of grants to help provide public assistance to the needy, including the aged, the blind, the permanently and totally disabled, and dependent children. Expenditures for public assistance are expected to increase by \$152 million in 1962, mainly because of the new program of medical assistance and the increased Federal grants for medical payments for the aged which were enacted in 1960. Other major programs include grants to States to help finance low-priced school lunches, and various aids to Indians. Total expenditures in this category are expected to amount to \$2.6 billion in 1962, compared to \$2.4 billion in 1961.

OTHER SERVICES AND CURRENT OPERATING EXPENSES

Expenses for operation and maintenance of military facilities and for pay and subsistence of military personnel comprise about two-thirds of the total spending estimated for this category in 1962. By far the largest component of civil expenditures is interest, which accounts for 25% of the total.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Table 5.—OTHER SERVICES AND CURRENT OPERATING EXPENSES
[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate
Repair, maintenance, and operation of physical assets:			
Civil.....	334	380	363
Major national security.....	9,863	10,138	10,476
Regulation and control.....	631	703	741
Operation and administration of other civil activities.....	1,585	1,785	1,880
Other major national security operation and administration.....	11,588	11,978	12,220
Interest.....	9,266	8,993	8,593
Total other services and current operating expenses.....	33,266	33,977	34,273

Repair, maintenance, and operation of physical assets.—Expenditures to repair, maintain, and operate physical assets are predominantly for the national military establishment and for general-purpose public buildings. Also included in this category are expenses for operating and maintaining atomic energy facilities, flood control reservoirs, irrigation works, power facilities, public lands, and national forests. Total outlays for these purposes are estimated at \$10.5 billion in 1961 and at \$10.8 billion in 1962. Where special groups are the main beneficiaries, such as veterans in the case of veterans hospitals, repair and maintenance outlays are not included in the present category but in aids and special services discussed previously.

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 \$741 million in 1962, compared to \$703 million in 1961.

Operation and administration of other civil activities.—All Governmentwide or multipurpose expenditures for civil programs are estimated to total \$1.8 billion in 1961 and \$1.9 billion in 1962. These cover expenditures for the legislative branch; the conduct of foreign affairs; tax collection, public debt management, and other financing activities; central procurement and recordkeeping; accident and unemployment compensation for Federal employees; and various other direct Federal programs not elsewhere classified.

Other major national security operation and administration.—These expenditures are estimated to amount to \$12.2 billion in 1962, compared to \$12 billion in 1961. They represent mainly 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.—Interest expenditures consist almost entirely of interest payments on the public debt. A minor portion is for interest on refunds of receipts and on certain uninvested funds deposited with the Treasury. Because of the lower interest rates on new securities issued to refund maturing obligations, expenditures for interest are expected to decline from \$9 billion in 1961 to \$8.6 billion in 1962.

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES

Based on existing and proposed legislation

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
ADDITIONS TO FEDERAL ASSETS				ADDITIONS TO FEDERAL ASSETS—Con.			
Loans:				Loans—Continued			
Civil:				Civil—Continued			
To domestic private borrowers:				To State and local governments:			
Small Business Administration.....	51	53	71	For public works:			
Veterans Administration:				Housing and Home Finance Agency:			
Housing loans.....	229	119	107	College housing loans.....	122	103	120
Other.....	100	99	78	Public facility loans.....	13	19	25
Housing and Home Finance Agency:				Other.....	7	5	6
Federal National Mortgage Association.....	58	126	77	Department of the Interior.....	11	16	25
College housing loans.....	81	69	80	District of Columbia.....	1	12	27
Federal Housing Administration.....	40	91	41	Other agencies.....	2	5	6
Housing for the elderly.....		1	13	Total for public works.....	156	160	209
Other.....	-65	-92	-7	For other than public works.....	5	11	17
Department of Agriculture:				Total to State and local governments, civil.....	161	172	226
Commodity Credit Corporation: Price support and grain storage loans.....	-1,058	-151	83				
Rural Electrification Administration.....	321	318	330	To foreign borrowers:			
Farmers Home Administration.....	258	267	196	Funds appropriated to the President:			
Department of Health, Education, and Welfare: Defense educational activities.....	42	61	60	Mutual security—economic and contingencies.....	312	359	491
Treasury Department.....	-13	-1	-3	Export-Import Bank of Washington.....	-238	-8	89
Other agencies.....	-2	3	(1)	Treasury Department:			
Total to domestic private borrowers, civil.....	42	961	1,124	International Development Association.....		74	62
				Inter-American Development Bank.....	80		110
				Total to foreign borrowers, civil.....	154	424	751

¹ Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
ADDITIONS TO FEDERAL ASSETS—Con.				ADDITIONS TO FEDERAL ASSETS—Con.			
Loans—Continued				Public works—sites and direct construction—Continued			
Civil—Continued				Civil—Continued			
To quasi-public institutions and trust funds:				Other than research and development facilities—Continued			
Housing and Home Finance Agency:				Department of the Interior—Continued			
Federal National Mortgage Association: Secondary market operations.....	-42	28	40	Bureau of Indian Affairs.....	32	36	33
Department of Labor: Advances to Unemployment trust fund.....		36	-42	Power transmission agencies.....	19	23	18
Farm Credit Administration.....	-4	3	2	Other.....	14	14	22
Total to quasi-public institutions and trust funds.....	-45	67	(¹)	Post Office Department.....	24	68	48
Total loans, civil.....	312	1,625	2,102	Department of State:			
Major national security:				State Department building.....	14	6	1
To domestic private borrowers: Funds appropriated to the President: Expansion of defense production.....	-9	-9	-13	International commissions.....	1	6	12
To foreign borrowers: Funds appropriated to the President: Expansion of defense production.....	-4	-5	-15	Other.....	11	8	9
Total loans, major national security.....	-13	-13	-28	Treasury Department:			
Total loans.....	299	1,611	2,074	Coast Guard.....	-4	12	17
Public works—sites and direct construction:				Other.....	(¹)	(¹)	(¹)
Civil:				Other agencies.....	20	19	16
Research and development facilities:				Total other than research and development facilities.....	1,552	1,840	2,008
National Aeronautics and Space Administration.....	54	90	106	Total public works, civil.....	1,633	1,974	2,189
Department of Agriculture.....	11	10	8	Major national security:			
Department of Commerce.....	1	4	26	Research and development facilities:			
Department of Health, Education, and Welfare.....	6	8	10	Atomic Energy Commission.....	176	176	202
Other agencies.....	9	22	31	Department of Defense—Military: Military construction.....	100	114	93
Total research and development facilities.....	81	134	181	Total research and development facilities.....	276	289	295
Other than research and development facilities:				Other than research and development facilities:			
Legislative branch.....	17	45	34	Atomic Energy Commission.....	42	61	62
Central Intelligence Agency.....	12	17	9	Department of Defense—Military: Military construction (excluding infrastructure).....	1,518	1,247	1,226
Federal Aviation Agency.....	108	124	143	Other agencies.....	-1	(¹)	(¹)
Smithsonian Institution.....	3	14	19	Total other than research and development facilities.....	1,559	1,308	1,287
Tennessee Valley Authority.....	104	158	221	Total public works, major national security.....	1,835	1,597	1,583
United States Information Agency.....	3	4	11	Total public works, sites and direct construction.....	3,469	3,571	3,772
Veterans Administration: Hospitals.....	56	61	62	Major commodity inventories:			
General Services Administration: Public buildings.....	133	143	200	Civil:			
Department of Agriculture:				Executive Office of the President: Office of Civil and Defense Mobilization.....	9	8	15
Forest roads and protective facilities.....	35	48	51	Department of Agriculture: Commodity Credit Corporation: Agricultural commodities.....	1,022	206	202
Other.....	2	1	1	Other agencies.....	(¹)		
Department of Defense—Civil:				Total major commodity inventories, civil.....	1,032	214	217
Corps of Engineers—Civil.....	711	753	751	Major national security:			
The Panama Canal.....	18	27	24	Funds appropriated to the President: Expansion of defense production.....	79	44	41
Other.....	1	1	(¹)	General Services Administration: Stockpiling of strategic and critical materials.....	8	5	5
Department of Health, Education, and Welfare:				Total major commodity inventories, major national security.....	87	49	46
Assistance for school construction.....	12	10	8	Total major commodity inventories.....	1,119	263	263
Indian health facilities.....	9	14	8				
Other.....	2	5	4				
Department of the Interior:							
Bureau of Reclamation.....	157	174	224				
National Park Service.....	40	49	60				

¹ Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued
INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
ADDITIONS TO FEDERAL ASSETS—Con.				EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES			
Major equipment:				State and local physical assets:			
Civil:				Grants-in-aid:			
Research and development facilities:				For public works, research and development facilities: Department of Health, Education, and Welfare.....	1	1	1
National Aeronautics and Space Administration.....	17	30	40				
Other agencies.....	3	2	3	For public works, other than research and development facilities:			
Total research and development facilities.....	20	32	43	Federal Aviation Agency.....	57	83	82
Other than research and development facilities:				Department of Agriculture: Flood prevention and watershed protection.....	32	36	51
Federal Aviation Agency.....	5	15	7	Department of Commerce: Forest and public lands highways ²	29	34	-----
Department of Commerce:				Department of Health, Education, and Welfare:			
Merchant ships.....	27	15	29	School construction in federally affected areas.....	71	63	57
Other.....	6	3	7	Hospital construction.....	63	68	73
Treasury Department: Coast Guard.....	16	6	5	Waste treatment works construction.....	40	41	43
Other agencies.....	6	11	7	Other.....	(¹) 5	2	3
Total other than research and development facilities.....	60	51	55	Other agencies.....	5	10	18
Total major equipment, civil.....	80	83	98	Total other than research and development facilities.....	298	337	328
Major national security:				Total for public works.....	298	338	329
Research and development facilities:				For other than public works other than research and development facilities:			
Atomic Energy Commission.....	49	51	48	Office of Civil and Defense Mobilization.....	5	5	16
Other than research and development facilities:				Other.....	1	1	2
Funds appropriated to the President.....	-1	-1	-1	Total for other than public works.....	5	6	17
Atomic Energy Commission.....	35	34	41	Total State and local physical assets, grants-in-aid.....	303	344	346
Department of Defense—Military.....	12,719	12,287	12,783	Private physical assets, civil:			
Total other than research and development facilities, major national security.....	12,753	12,321	12,824	Direct Federal programs:			
Total major equipment, major national security.....	12,802	12,371	12,871	Research and development facilities:			
Total major equipment.....	12,882	12,454	12,969	Department of Health, Education, and Welfare.....	25	25	24
Other physical assets—acquisition and improvement:				National Science Foundation.....	3	9	17
Civil:				Total research and development facilities.....	29	35	41
Veterans Administration:				Other than research and development facilities:			
Readjustment benefits.....	22	22	-----	Department of Agriculture:			
Other.....	(¹)	(¹)	-9	Agricultural conservation assistance.....	237	240	242
Housing and Home Finance Agency.....	40	102	137	Soil Conservation Service.....	91	101	102
Department of Agriculture:				Commodity Stabilization Service:			
Forest Service.....	9	13	78	Conservation reserve.....	324	354	377
Other.....	1	1	1	Commodity Credit Corporation: Loans to Secretary of Agriculture for agricultural conservation purposes.....	(¹)	-4	-8
Department of the Interior:				Department of Commerce: Merchant ships.....	70	90	103
Bureau of Land Management.....	5	12	8	Other agencies.....	4	5	6
Other.....	12	17	17	Total other than research and development facilities.....	725	786	822
Other agencies.....	3	8	8	Total direct Federal programs.....	754	821	863
Total other physical assets, civil.....	91	174	240				
Major national security:							
Atomic Energy Commission.....	1,470	1,372	1,368				
Department of Defense—Military: Revolving funds.....	23	30	35				
Total other physical assets, major national security.....	1,492	1,402	1,403				
Total other physical assets—acquisition and improvement.....	1,584	1,576	1,643				
Total additions to Federal assets.....	19,352	19,476	20,721				

¹ Less than one-half million dollars.

² Expenditures for these programs are included in Highway trust fund expenditures in 1962.

SPECIAL ANALYSIS D—Continued
INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued				EXPENDITURES FOR OTHER DEVELOPMENTAL PURPOSES—Continued			
Private physical assets, civil—Continued				Research and development—Continued			
Grants-in-aid: Other than research and development facilities:				Civil—Continued			
Department of Health, Education, and Welfare: Private hospital construction.....	80	86	94	Direct Federal programs—Continued			
Other agencies.....	2	1	(¹)	Department of Commerce:			
Total grants-in-aid.....	82	87	94	National Bureau of Standards.....	12	15	18
Total private physical assets, civil.....	836	908	957	Other.....	12	18	21
				Department of Defense—Civil: Corps of Engineers—Civil.....	9	10	9
Education, training, and health:				Department of Health, Education, and Welfare:			
Civil:				Public Health Service.....	277	344	425
Direct Federal programs:				Other.....	16	18	22
National Science Foundation.....	57	65	69	Department of the Interior:			
Smithsonian Institution.....	9	9	10	Bureau of Mines.....	23	25	25
Department of Health, Education, and Welfare:				Geological Survey.....	18	20	21
Public Health Service.....	190	237	265	Fish and Wildlife Service.....	10	11	13
Office of Education.....	33	40	64	Other.....	2	4	6
Other.....	14	18	20	Other agencies.....	22	24	30
Department of the Interior: Bureau of Indian Affairs.....	43	47	49	Total direct Federal programs.....	930	1,370	1,706
Other agencies.....	11	13	13				
Total direct Federal programs.....	356	428	489	Grants-in-aid:			
Grants-in-aid:				Department of Agriculture:			
Department of Agriculture: Cooperative extension work.....	61	65	67	Agricultural Research Service.....	31	32	34
Department of Health, Education, and Welfare:				Other.....	1	1	1
School operation in federally affected areas.....	167	181	154	Other agencies.....	10	9	9
Defense educational activities.....	69	78	88	Total grants-in-aid.....	42	42	44
Vocational and other education and training.....	100	111	120	Total research and development, civil.....	972	1,412	1,750
Health and child care.....	80	90	93				
Other agencies.....	6	6	8	Major national security:			
Total grants-in-aid.....	482	532	529	Atomic Energy Commission.....	762	871	866
Total education, training, and health, civil.....	839	961	1,018	Department of Defense—Military:			
Major national security: Atomic Energy Commission.....	12	15	15	Military personnel: Research and development.....	192	200	205
Total education, training, and health.....	851	975	1,033	Procurement: Test and evaluation support.....	1,593	1,466	1,589
				Research, development, test, and evaluation.....	3,732	4,148	4,388
Research and development:				Military assistance.....	36	34	35
Civil:				Total research and development, major national security.....	6,315	6,719	7,083
Direct Federal programs:				Total research and development.....	7,287	8,131	8,834
Federal Aviation Agency.....	38	39	66				
National Aeronautics and Space Administration.....	330	650	819	Engineering and natural resource surveys:			
National Science Foundation.....	57	75	96	Direct Federal programs:			
Veterans Administration.....	17	20	23	Department of Commerce: Coast and Geodetic Survey.....	13	17	18
Department of Agriculture:				Department of the Interior.....	36	40	43
Agricultural Research Service.....	65	70	82	Other agencies.....	16	20	20
Forest Service.....	13	16	17	Total direct Federal programs.....	66	77	81
Agricultural Marketing Service.....	9	10	10	Grants-in-aid.....	3	4	6
Other.....	1	1	1	Total engineering and natural resource surveys.....	68	80	87
				Total expenditures for other developmental purposes.....	9,345	10,438	11,257

¹ Less than one-half million dollars.

SPECIAL ANALYSIS D—Continued
 INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES				CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Agriculture:				Business—Continued			
Direct Federal programs:				Major national security: Funds appropriated to the President: Expansion of defense production: Administrative expenses and losses on transactions.....			
Department of Agriculture:				Total business.....			
Commodity Credit Corporation:				Labor:			
Sales for foreign currency.....				Direct Federal programs:			
Price support, supply, and related programs.....				Department of Labor.....			
Transfer to supplemental stockpile.....				Treasury Department.....			
National Wool Act.....				Other agencies.....			
International Wheat Agreement.....				Total direct Federal programs.....			
Long-term supply contracts.....				Grants-in-aid: Department of Labor: Administration of unemployment compensation and employment service ⁴			
Other.....				Total labor.....			
Commodity Stabilization Service:				Homeowners and tenants:			
Sugar Act.....				Direct Federal programs:			
Other.....				Federal Home Loan Bank Board.....			
Agricultural Research Service.....				Housing and Home Finance Agency:			
Agricultural Marketing Service.....				Office of the Administrator.....			
Farmers Home Administration.....				Federal National Mortgage Association.....			
Federal Crop Insurance Corporation.....				Federal Housing Administration.....			
Foreign Agricultural Service.....				Other.....			
Rural Electrification Administration.....				Other agencies.....			
Other.....				Total direct Federal programs.....			
Other agencies.....				Grants-in-aid: Housing and Home Finance Agency:			
Total direct Federal programs.....				Public housing.....			
Grants-in-aid: Department of Agriculture:				Urban renewal fund.....			
Agricultural Marketing Service:				Total grants-in-aid.....			
Removal of surplus agricultural commodities.....				Total homeowners and tenants.....			
Special milk program.....				Veterans:			
Commodity Credit Corporation:				Direct Federal programs:			
Price support, supply, etc.....				Veterans Administration:			
Special milk program.....				Readjustment benefits.....			
Forest Service.....				Compensation and pensions.....			
Total grants-in-aid.....				Hospitals and medical care.....			
Total agriculture.....				Insurance.....			
Business:				Housing loans.....			
Civil:				General operation and other.....			
Direct Federal programs:				Other agencies.....			
Civil Aeronautics Board: Payments to air carriers.....				Total direct Federal programs.....			
Federal Aviation Agency.....				Grants-in-aid: Veterans Administration.....			
Small Business Administration.....				Total veterans.....			
Department of Commerce:				International:			
Maritime activities: Ship operating subsidies and administration.....				Civil:			
Patent Office.....				Funds appropriated to the President:			
Bureau of the Census.....				Mutual security—economic and contingencies.....			
Other.....				Other.....			
Department of Defense—Civil:				Export-Import Bank of Washington.....			
Corps of Engineers—Civil: Maintenance and operation.....				Department of Agriculture: Commodity Credit Corporation: Emergency famine relief to friendly peoples.....			
Panama Canal Company.....							
Other.....							
Post Office Department ²							
Treasury Department:							
Coast Guard: Navigation aids.....							
Other.....							
Other agencies.....							
Total civil, direct Federal programs.....							
Grants-in-aid: Department of Commerce.....							
Total civil.....							

¹ Less than one-half million dollars.

² Includes proposed postal rate increases in 1961 and 1962.

³ Expenditures for employment security grants in 1961 and 1962 are made from the unemployment trust fund.

⁴ Includes proposed temporary premium rate increase.

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued				OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
International—Continued				Repair, maintenance, and operation of physical assets (excluding special services)—Con.			
Civil—Continued				Major national security:			
Department of Commerce: Inter-American Highway.....	9	9	9	Atomic Energy Commission.....	78	80	77
Other agencies.....	7	12	12	Department of Defense—Military:			
Total international, civil.....	1,323	1,517	1,497	Operation and maintenance.....	10,223	10,400	10,671
Major national security: Department of Defense—Military:				Revolving funds.....	-439	-342	-273
Military assistance.....	1,574	1,666	1,715	Total repair, maintenance, and operation, major national security.....	9,863	10,138	10,476
Military construction (infrastructure).....	8	8	8	Total repair, maintenance, and operation of physical assets.....	10,197	10,518	10,839
Total international, major national security.....	1,582	1,674	1,723	Regulation and control:			
Total international.....	2,905	3,192	3,220	The judiciary.....	48	52	55
Other aids and special services:				Federal Aviation Agency.....	20	30	38
Direct Federal programs:				Federal Communications Commission.....	10	12	12
Department of Commerce: Bureau of the Census.....	86	25	7	Interstate Commerce Commission.....	19	22	22
Department of Health, Education, and Welfare:				National Labor Relations Board.....	15	18	19
Public Health Service.....	10	12	7	Securities and Exchange Commission.....	8	9	11
Other.....	16	18	19	Department of Agriculture:			
Department of the Interior: Bureau of Indian Affairs.....	30	33	35	Commodity Stabilization Service: Acreage allotments and marketing quotas.....	40	44	45
Department of Labor: Bureau of Labor Statistics.....	9	11	12	Agricultural Research Service.....	65	69	75
Other agencies.....	7	8	8	Other.....	4	4	4
Total direct Federal programs.....	159	107	87	Department of Health, Education, and Welfare:			
Grants-in-aid:				Food and Drug Administration.....	11	16	19
Department of Agriculture: School lunch program.....	151	153	153	Other.....	2	3	3
Department of Health, Education, and Welfare:				Department of Justice:			
Public assistance.....	2,059	2,159	2,311	Federal Bureau of Investigation.....	113	125	127
Other.....	2	1	1	Legal activities and general administration.....	45	48	51
Other agencies.....	2	4	5	Immigration and Naturalization Service.....	55	62	64
Total grants-in-aid.....	2,214	2,318	2,470	Federal prisons.....	41	42	43
Total other aids and special services.....	2,373	2,425	2,557	Department of Labor.....	15	19	20
Total current expenses for aids and special services.....	15,270	15,705	15,181	Treasury Department:			
OTHER SERVICES AND CURRENT OPERATING EXPENSES				Bureau of Customs.....	54	60	63
Repair, maintenance, and operation of physical assets (excluding special services):				Coast Guard.....	22	19	17
Civil:				Other.....	8	10	11
Legislative branch.....	8	10	9	Other agencies.....	34	38	43
Tennessee Valley Authority.....	-104	-118	-132	Total regulation and control.....	631	703	741
General Services Administration.....	155	173	183	Operation and administration of other civil activities:			
Department of Agriculture: Forest Service.....	101	118	100	International activities:			
Department of Defense—Civil: Corps of Engineers—Civil.....	48	54	55	United States Information Agency.....	109	117	124
Department of the Interior:				Department of State:			
Bureau of Reclamation.....	34	41	45	Foreign affairs administration.....	125	129	141
National Park Service.....	31	33	35	International organizations and conferences.....	58	53	68
Fish and Wildlife Service.....	11	12	14	Educational exchange.....	23	35	40
Power marketing agencies.....	15	18	18	Payment to the Philippine Government.....			49
Bureau of Land Management.....	21	19	22	Other.....	2	11	6
Other.....	-4	2	-8	Total international activities.....	318	345	428
Other agencies.....	19	19	21	Federal financial activities:			
Total repair, maintenance, and operation, civil.....	334	380	363	General Accounting Office.....	38	41	43
				Renegotiation Board and Tax Court of the United States.....	4	5	5
				Treasury Department:			
				Internal Revenue Service.....	360	412	446
				Bureau of Accounts.....	28	25	30
				Bureau of the Public Debt.....	48	48	48
				Office of the Treasurer.....	17	17	17
				Other.....	8	10	11
				Total Federal financial activities.....	503	559	599

SPECIAL ANALYSIS D—Continued

INVESTMENT, OPERATING, AND OTHER BUDGET EXPENDITURES—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

	1960 actual	1961 estimate	1962 estimate		1960 actual	1961 estimate	1962 estimate
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued				OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Operation and administration of other civil activities—Continued				Operation and administration of other civil activities—Continued			
Other direct Federal programs:				Shared revenues and grants-in-aid—Con.			
Legislative branch.....	97	96	100	Department of the Interior:			
Executive Office of the President:				Bureau of Land Management.....	52	52	58
Office of Civil and Defense Mobilization.....	23	30	37	Fish and Wildlife Service.....	16	14	14
Other.....	9	11	11	Other.....	11	14	12
Civil Service Commission.....	19	21	22	Treasury Department: Internal revenue collections for Puerto Rico.....	23	23	23
Selective Service System.....	29	33	35	District of Columbia: Federal payment.....	25	31	36
General Services Administration.....	69	82	70	Other agencies.....	9	9	11
Department of Commerce:				Total shared revenues and grants-in-aid.....	177	183	188
Weather Bureau.....	44	49	55	Total operation and administration of other civil activities.....	1,585	1,785	1,880
Other.....	2	4	3	Other major national security operation and administration:			
Department of Defense—Civil:				General Services Administration: Strategic and critical materials.....	42	35	35
Canal Zone Government.....	19	20	21	Department of Defense—Military: Military personnel (excluding research and development).....	11,546	11,943	12,185
Corps of Engineers—Civil.....	12	13	13	Total other major national security operation and administration.....	11,588	11,978	12,220
Other.....	1	(¹)		Interest:			
Department of the Interior.....	11	14	13	On the public debt.....	9,180	8,900	8,500
Treasury Department:				Other interest:			
Claims, judgments, and private relief acts.....	11	25	5	On refunds.....	76	83	83
Other.....	(¹)	(¹)	(¹)	On uninvested funds.....	10	10	10
Other agencies.....	5	7	7	Total other interest.....	86	93	93
Total other direct Federal programs.....	356	404	392	Total interest.....	9,266	8,993	8,593
Retirement, unemployment, and accident compensation for Federal employees:				Total other services and current operating expenses.....	33,266	33,977	34,273
Civil Service Commission.....	2	53	29	ALLOWANCE FOR CONTINGENCIES		25	100
Department of Labor:				Subtotal.....	77,233	79,621	81,532
Employees' compensation claims and expenses.....	60	64	66	Deduct interfund transactions (included in both receipts and expenditures).....	694	676	667
Unemployment compensation for Federal employees.....	127	144	147	Grand total.....	76,539	78,945	80,865
Other.....	8						
Treasury Department: Coast Guard retired pay and Secret Service annuities.....	29	29	30				
Other agencies.....	4	4	2				
Total retirement, unemployment, and accident compensation for Federal employees.....	230	295	273				
Shared revenues and grants-in-aid:							
Funds appropriated to the President:							
Grants to Alaska.....	10	6	6				
Department of Agriculture: Forest Service.....	30	36	29				

¹ Less than one-half million dollars.

FOREIGN CURRENCY AVAILABILITIES AND USES

Many agencies of the Government are engaged in activities throughout the world which may be financed with foreign currencies. From some governmental activities, particularly the sale on concessional terms of surplus agricultural commodities, foreign currencies accrue to the Government without purchase with dollars. In many instances these currencies are restricted in their use by the terms of international agreements. This analysis presents in summary form data on foreign currency availabilities and uses, with special emphasis on those under the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480), the largest source of currencies with the most complex provisions for their use.

Foreign currency availabilities.—As indicated in the following table, the Government had available in 1960 the foreign currency equivalent of \$3.3 billion, and somewhat larger amounts are estimated for both 1961 and 1962. Availabilities for U.S. uses hold roughly even at about \$1.1 billion, and amounts committed for country uses increase slightly.

Foreign currency availabilities are divided in table 1 in several different ways. All availabilities are divided between those available for U.S. uses and those available for country uses. In both cases the currencies belong to this Government and are kept in Treasury accounts or those of other Government agencies. The country use currencies, however, are committed by the terms of the international agreements under which they are received to be used on a loan or grant basis for mutually beneficial purposes in the country by agreement with its government. U.S. use currencies, on the other hand, are available for the purposes of U.S. agencies without further approval of the other government. The table indicates that country use currencies make up three-fourths of total currency availabilities.

U.S. use currencies are further divided between those which are excess and those which are nonexcess. The excess currencies are those of which the Treasury has found (after reviewing the amounts of currency on hand, prospective receipts for U.S. uses, and prospective requirements) the supply to be great enough to more than cover the demand for the next 2 or 3 years. This analysis reveals a prospective excess condition for 1962 in seven countries: Burma, India, Israel, Pakistan, Poland, UAR (Egypt), and Yugoslavia. In all other countries the availability of U.S. use currencies is either less than the anticipated requirement, or there is no adequate assurance that an anticipated accumulation will in fact be realized.

Nonexcess U.S. use currencies are further divided between those which are restricted and those which are unrestricted. Restricted currencies have had conditions placed on their use by international agreement or by informal understandings in connection with such agreements, which require their use for particular purposes. Such currencies are not, therefore, available to finance regular U.S. activities. Restricted currencies must be reserved, frequently for lower priority programs, at times when appropriated dollars are being used to purchase the same kinds of currencies to meet U.S. obligations abroad. In line with Presidential instructions in the 1961 budget message, restrictions of this nature are being avoided to

the extent possible in international agreements. As a result, the availability of restricted currencies for U.S. uses stems from unexpended balances which have accrued under older agreements. These availabilities are decreasing and are largely covered by appropriations enacted or recommended for special foreign currency programs.

Table 1.—CASH AVAILABILITY OF FOREIGN CURRENCIES

[In millions of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
For U.S. uses:			
Excess currencies.....	595	813	751
Nonexcess currencies:			
Restricted.....	139	92	85
Unrestricted.....	334	287	234
Subtotal.....	1,067	1,192	1,070
For country uses.....	2,188	2,497	2,822
Total.....	3,255	3,689	3,892

Note.—For currencies collected under Public Law 480, the distribution is estimated.

Sources of foreign currencies without purchase with dollars.—Within the limits established by title I of Public Law 480, any agricultural commodity found by the Secretary of Agriculture to be in surplus supply may be sold for foreign currencies, so long as precautions are taken that such sales do not displace normal trade (i.e., regular sales for dollars) or unduly disrupt world market prices. Such sales are covered by intergovernmental agreements which govern the terms of sale including the value of commodities to be purchased, the exchange rate at which payment will be made, the amounts of the sales proceeds which will be reinvested in the purchasing country through loans or grants for economic or common defense purposes, and the amounts which the U.S. Government may use in the country, or possibly elsewhere, for other purposes. The shipment of the commodities is financed by the Commodity Credit Corporation as an extension of its agricultural price support operations. Any dollars received through sale of the currencies to agencies for programs covered by appropriations return to the CCC and reduce the size of the appropriation needed to cover its costs for the commodities shipped.

The Mutual Security Act of 1954, as amended, also includes several provisions under which foreign currencies accrue to the credit of the United States. Section 402 of that act specifies that a certain amount of the mutual security appropriations shall be used only to purchase surplus agricultural commodities for sale to foreign countries for their currencies. Section 505(a) of the act authorizes the sale of any commodities or services for foreign currencies, and section 103(c) of the act authorizes the sale of military equipment, materials, and services for foreign currencies. These sales are also covered by intergovernmental agreements. However, since the commodities or services sold are supplied as part of the mutual security program and financed by that appropriation, the currency proceeds may be used only for the purposes of that program. These are generally economic develop-

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

ment or common defense in the purchasing country, or sometimes in a different aid recipient country when the purchasing country agrees and can supply needed exports.

The Mutual Security Act also requires a country receiving aid to deposit in a special account an amount of its currency equal to either the local sales value of the non-military commodity aid it receives or the commensurate value of our dollar aid expenditures. These deposits are called counterpart. Generally, a share of this counterpart, usually 10% or less, must be transferred to U.S. Treasury accounts and is available for general U.S. use. The remaining 90% is owned by the foreign country and remains in its custody for use for mutual security purposes agreed to by the United States. None of these country-owned currencies is included in the tables herein.

Section 142(a)(9) of the Mutual Security Act also authorizes the receipt of currencies contributed by the foreign government for the local expenses of U.S. military assistance advisory groups abroad.

Other collections of foreign currencies arise from various governmental activities. Sales of U.S. Government surplus property and settlement of World War II lend-lease debts for foreign currencies are authorized under several laws and international agreements. Under the Information and Educational Exchange Act of 1948 (Public Law 402), the U.S. Government (informational media guarantee fund) contracts with American exporters of books, periodicals, and motion pictures to exchange dollars for certain foreign currencies received from sale of such materials. Other currencies are also received in payment for consular services, interest on deposits of currencies in foreign banks, etc.

In addition to the above, foreign currencies are acquired as loan repayments. Beginning in 1955, for example, the Mutual Security Act authorized repayment of mutual security loans in foreign currencies. Interest and principal repayments are now also beginning on economic development loans made to foreign countries and on loans to private enterprise under Public Law 480. Development Loan Fund loans and interest often may be repaid in the currency of the borrowing country.

In summary, most currencies accruing to the credit of the United States result from past or current international agreements authorized under several laws. In most cases, these international agreements reflect either sales arrangements, wherein commodities (usually surplus agricultural commodities) are sold to a foreign purchaser for currencies, or they reflect loan agreements, wherein dollars or foreign currencies themselves are lent to foreign borrowers and may be repaid in the currency of the borrower. Currencies also become available in much smaller amounts under special international agreements and the normal operations of the U.S. Government abroad.

Potential availability of foreign currencies.—In contrast to table 1, table 2 is not on a cash basis. It indicates amounts owed to the United States at the beginning and end of each of the 3 years, 1960–62, which are payable in foreign currencies even though the payment may not be due until some future year. Loan agreements, for example, provide for repayment over periods up to 40 years. As shown in the table, balances of loans outstanding and sales agreements under which deliveries had not been completed nor payment received totaled \$2.7 billion at the end of 1960 and are estimated to rise to \$4 billion by the end of 1961 and further to \$4.7 billion by June 30, 1962. The estimated increase reflects largely

the effects of loans and surplus agricultural commodity sales under Public Law 480 and the expanding loan activity of the Development Loan Fund. The estimates assume continuation of Public Law 480 at approximately the current level through 1962. This future availability is divided about equally between unrestricted U.S. use currencies, mainly loan repayments, and funds committed to country uses, mainly the proceeds of undelivered agricultural sales.

Table 2.—POTENTIAL AVAILABILITY OF FOREIGN CURRENCIES (CURRENCIES RECEIVABLE, EARNINGS, AND COLLECTIONS)

[In millions of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Uncollected balances brought forward:			
Outstanding loans:			
Development Loan Fund.....	42	189	408
Mutual security program.....	580	649	715
Public Law 480.....	629	855	1,154
Other agreements:			
Mutual security program.....	25	26	17
Public Law 480.....	706	926	1,647
Surplus property and lend-lease.....	30	30	29
Total.....	2,013	2,676	3,971
Additions (accruals and earnings) during the year:			
New loans and interest accrued:			
Development Loan Fund.....	158	243	374
Mutual security program.....	81	81	91
Public Law 480.....	233	316	397
Other new agreements:			
Mutual security program.....	194	118	110
Public Law 480.....	1,138	1,750	1,000
Surplus property and lend-lease.....	49	25	15
Earnings other than under agreements.....	76	85	95
Total.....	1,928	2,619	2,073
Deduct—			
Collections during the year.....	1,211	1,273	1,286
Other reductions in amounts due.....	54	51	36
Uncollected balances carried forward.....	2,676	3,971	4,722
Estimated availability for use of these balances is as follows:			
Available only for loans and grants in foreign countries.....	1,025	1,954	2,233
Available for U.S. purposes.....	1,651	2,017	2,489

Limits on uses of foreign currencies.—The amount of foreign currencies accruing to the credit of the United States is large and is increasing, as table 2 illustrates. However, international agreements, and in many cases the nature of the economy on which they are a claim, restrict the use of the greater part of these currencies.

First, sales of agricultural commodities, through which most of the currencies are acquired, are often largely concessional. In these transactions the purchasing country seeks to minimize the real cost of the sales to itself in terms of export of its resources. This practice comes about in part because the sales are generally over and above the amount of exports the United States could sell in the international market on commercial terms (for dollars), and in part because U.S. foreign policy usually has the objective of aiding the economic development of the country involved. As a result, large amounts of currencies acquired by the United States from the sale of farm commodities are restricted by the purchase agreement so

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

they can only be loaned or granted back to the buying country for its economic development. This is true of most of the currency received under the Mutual Security Act and Public Law 480.

Second, virtually all of the currencies are inconvertible under the laws and regulations of the purchasing countries. This means they cannot be freely used to buy goods in third countries. Neither can they be exchanged for another currency which we may be able to use. Similarly, a country which limits convertibility of its currency is usually unwilling to accept its own currency in payment, in any large amount, for exports, which represent a net drain on the country. Indeed the largest amounts of currency accrue in less developed countries where the use of large amounts of local currency for programs which are not of mutual interest might significantly drain scarce resources and result in pressure for increased U.S. aid.

In this regard, it should be pointed out that granting or lending a country its own currency under Public Law 480 and the Mutual Security Act does not provide it with additional external resources as dollar payments do. No labor, capital equipment, and materials are provided which the country did not have before. Additional economic resources from outside a country's borders can only be furnished in the form of goods or dollars or other convertible currencies to be used for the purchase of goods. Thus, a country's own currencies are not a substitute for dollars in the mutual security or other assistance program for that country.

Need for foreign currencies.—Many agencies of the U.S. Government carry on activities overseas in which foreign currencies may be used. These activities include diplomatic representation, the construction, maintenance, and operation of defense establishments, the administration of assistance and informational activities and many other programs. Also included are activities such as agricultural market development, educational exchange, the dissemination of textbooks and certain research and health programs which were undertaken especially because excess or restricted foreign currencies were available which could be used for these purposes. In most instances the need for foreign currencies in U.S. operations does not correspond to their availability on a country-by-country basis. In the normal course of its worldwide operations the Government must purchase large amounts of the currencies of many countries while at the same time accumulating large balances of others.

Recent estimates indicate that Government agencies will require about \$2.2 billion of foreign currencies in 1962 to perform their regular operations abroad as indicated in table 3. In addition, \$46 million of currencies will be spent for special foreign currency programs of certain agencies.

The supply of currencies available in the Treasury for sale to agencies to meet their regular needs and special program needs is estimated to be approximately \$1.1 billion. However, less than \$200 million of this amount can be used to meet regular needs because the availability of currencies does not match the needs on a country-by-country basis, and because there will still remain restrictions on some of the currencies which limit their use to special programs. Some \$32 million equivalent of these restricted currencies could otherwise be used in 1962 to meet regular needs. Almost \$2 billion of foreign currencies will need to be purchased commercially by our disbursing officers abroad.

In 68 of the 92 countries listed in table 3 the approximate supply of currencies available in 1962 is less than our

anticipated needs for regular operations with the result that the United States will have to purchase the currencies of these 68 countries. In 34 of these 68 countries, various amounts of currencies are on hand which cannot be used to meet regular operating needs in 1962. These currencies are restricted from such use by provisions of international agreements or are reserved by agency administrative action for certain programs. These reserved amounts include currencies being held for agricultural market development, for educational exchange, for the construction of buildings abroad, and other special programs.

With respect to total value, 85% of the U.S. agency requirements are concentrated in six countries in which the United States receives foreign currencies in much smaller amounts; namely, Germany, Japan, Canada, France, the United Kingdom and Italy. The preponderance of currencies available to the Treasury for sale to agencies for regular operations is in countries such as India, Poland, Spain, Pakistan, Yugoslavia, and Israel, where needs are much less.

Table 3.—FOREIGN CURRENCIES AVAILABLE TO MEET U.S. REQUIREMENTS, 1962
[In millions of dollar equivalents]

Country	Supply	Requirements (expenditures)		Amounts available for use after 1962 ¹	Requirements for commercial purchase in 1962
		Other than special programs	Special programs		
Excess currencies:					
Burma.....	17.0	1.7	1.2	14.2	-----
India.....	362.9	5.2	8.3	349.4	-----
Israel.....	54.9	2.0	3.2	49.7	-----
Pakistan.....	84.8	9.3	3.1	72.4	-----
Poland.....	116.6	2.4	2.5	111.7	-----
United Arab Republic (Egypt).....	39.5	1.2	2.3	36.0	-----
Yugoslavia.....	61.0	1.5	2.6	56.9	-----
Total, excess currencies.....	736.7	23.3	23.2	690.3	-----
Nonexcess currencies:					
Afghanistan.....	.1	2.3	.1	-----	2.3
Argentina.....	4.0	1.5	.2	2.3	-----
Australia.....	.7	3.1	-----	(*)	2.5
Austria.....	2.0	3.5	.2	.9	2.7
Belgium.....	1.3	7.5	.1	.7	7.0
Bolivia.....	.3	.4	-----	-----	.1
Brazil.....	21.8	4.3	1.0	16.5	-----
Cambodia.....	.4	2.4	-----	-----	2.0
Canada.....	1.0	242.0	(*)	(*)	241.1
Central African Federation.....	-----	.1	-----	-----	.1
Ceylon.....	4.7	1.2	.4	3.1	-----
Chile.....	12.5	1.9	.5	10.0	-----
China, Republic of.....	9.4	7.2	.4	1.9	-----
Colombia.....	6.8	.8	2.0	4.0	-----
Congo, Republic of the.....	(*)	.3	-----	-----	.3
Costa Rica.....	.1	1.3	(*)	(*)	1.2
Cuba.....	.3	.6	-----	-----	.3
Cyprus.....	-----	.8	-----	-----	.8
Czechoslovakia.....	(*)	.2	-----	-----	.2
Denmark.....	1.0	1.9	.1	.5	1.5
Dominican Republic.....	(*)	.3	-----	-----	.3
Ecuador.....	1.0	.7	.2	.2	-----
El Salvador.....	(*)	.8	-----	-----	.8
Ethiopia.....	.6	4.7	-----	.5	4.6
Finland.....	5.2	1.7	1.1	2.5	-----
France.....	12.5	194.1	2.2	1.6	185.5
French oversea territories.....	(*)	(*)	-----	-----	(*)
Germany, Federal Republic of.....	11.9	977.8	.8	3.7	970.4
Ghana.....	.1	.9	(*)	.1	.9
Greece.....	15.1	9.0	1.1	5.0	-----

See footnotes at end of table.

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Table 3.—FOREIGN CURRENCIES AVAILABLE TO MEET U.S. REQUIREMENTS, 1962—Continued
[In millions of dollar equivalents]

Country	Supply	Requirements (expenditures)		Amounts available for use after 1962 ¹	Requirements for commercial purchase in 1962
		Other than special programs	Special programs		
Nonexcess currencies—Con.					
Guatemala	0.1	2.1	(*)	(*)	2.1
Haiti	.1	.4			.2
Honduras	.4	.7		(*)	.3
Hungary	1.5	0.1		1.4	
Iceland	1.3	2.6	(*)		1.3
Indonesia	22.1	1.0	0.6	20.6	
Iran	2.8	8.3	.1		5.6
Iraq		.8			.8
Ireland	.2	.6	(*)		.4
Italy	13.2	64.1	1.3	6.8	59.0
Japan	22.8	259.0	1.8	4.1	242.0
Jordan	.2	5.5			5.3
Korea	16.0	35.4	.3		19.8
Laos		1.3			1.3
Lebanon	(*)	3.1		(*)	3.1
Liberia		(*)			(*)
Libya	.2	4.9			4.7
Luxembourg		.2			.2
Malaya	.1	.9	(*)	.1	.9
Mexico	2.9	7.0	.4	.2	4.7
Morocco	3.4	17.2	.1		13.8
Nepal	.4	1.6		.4	1.6
Netherlands	6.4	7.0	.4	5.3	6.3
Netherlands oversea territories		.1			.1
New Zealand	.1	1.4	.1		1.4
Nicaragua	.1	.3		(*)	.3
Nigeria	(*)	.5	(*)	(*)	.5
Norway	.7	5.4	.1	.5	5.2
Panama	(*)	(*)		(*)	
Paraguay	.4	.7	(*)	(*)	.4
Peru	3.9	1.5	.7	1.8	
Philippines	8.6	43.0	.4		34.7
Portugal	1.0	1.3	.2	.3	.8
Portuguese oversea territories	.1	5.2			5.1
Rumania	(*)	.5			.5
Saudi Arabia	.1	.6		.1	.6
Senegal		(*)			(*)
Singapore		.9			.9
Somalia	(*)	2.3			2.3
Spain	95.4	26.9	1.3	67.1	
Sudan	(*)	.6		(*)	.6
Sweden	1.1	1.4	.3	.8	1.3
Switzerland	1.0	3.2	.3	.6	3.1
Thailand	3.2	4.2	.2	.8	2.1
Tunisia	.2	.8			.6
Turkey	29.7	22.1	1.4	6.2	
Union of South Africa	(*)	.8	(*)	(*)	.7
U.S.S.R.	.1	1.7			1.6
United Arab Republic (Syria)	9.6	.4		9.2	
United Kingdom	7.9	86.2	1.2	3.6	83.1
United Kingdom oversea territories	.4	10.9	(*)	.2	10.8
Uruguay	5.9	1.0	.7	4.3	
Venezuela	.6	1.3	.1	.4	1.2
Vietnam	4.3	4.6	.1	.1	.5
Yemen		1.1			1.1
Total, nonexcess currencies	381.4	2,128.6	22.5	188.4	1,958.0
Total	1,118.2	2,151.9	45.7	878.7	1,958.0

¹ The amounts in this column may include currencies which are not available for the general expenses of the United States, but rather are restricted in their use by international agreements, or reserved as authorized or required by law for specific purposes. In those instances where nonexcess currencies are required to be purchased for use in 1962, the amounts in this column are entirely restricted or reserved.

*\$50,000 or less.

Procedure for use of foreign currencies.—Currencies received by the United States in the course of its operations are available for general sale by the Treasury to Federal agencies for meeting any foreign currency costs of agency programs, unless there is a specific provision of law or international agreement prohibiting or limiting the use of the currencies. Normally, when an agency requires foreign currencies to carry out its activities, it must, by Treasury regulation, seek to buy such currencies from the Treasury Department. If that Department has the specifically requested currencies available, it sells them to the agency by charging the agency's appropriations accordingly. If the particular foreign currencies required are not available, they must be purchased through banking channels. Treasury sales are generally at the most advantageous rate at which currencies may be legally obtained, and thus foreign currency expenditures are reported on a comparable basis whether obtained from Treasury or commercial sources.

The currencies sold by the Treasury come from many sources, including the U.S. share of mutual security counterpart funds and of Public Law 480 sales proceeds, contributions of foreign governments to the administrative expenses of the military advisory assistance groups, the receipts of the informational media guarantee fund derived from the sale of U.S. publications abroad, interest on deposits of currency funds, the disposal of surplus property, and similar operations.

All currencies purchased by agencies from the Treasury with their regular dollar appropriations or with special appropriations provided to purchase the currencies are reflected in the budget as dollar receipts and expenditures. The dollar proceeds from Treasury sales are either credited to the miscellaneous receipts of the Treasury, or to various revolving funds or appropriations as authorized by law. Public Law 480 requires the dollar proceeds from sale of Public Law 480 currencies to be credited to the Commodity Credit Corporation. Sales of currencies received from the operations of the informational media guarantee fund are credited to that fund, and currencies obtained through the sale of military equipment under the Mutual Security Act are credited to the military assistance appropriation.

U.S. uses of foreign currencies.—Table 4 summarizes foreign currency transactions of U.S. use currencies as they are reflected in the Budget. This table includes all currencies actually available for U.S. uses and all expenditures of foreign currencies including those covered by appropriations—both regular appropriations and special foreign currency program appropriations.

TABLE 4.—SUMMARY OF FOREIGN CURRENCY TRANSACTIONS—U.S. USES

[In millions of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Cash balance brought forward:			
Excess countries	382	545	631
Nonexcess countries:			
Restricted	114	87	58
Unrestricted	168	143	101
Subtotal	664	775	790
Collections:			
Public Law 480 sales	232	260	118
Mutual security program:			
U.S. portion of counterpart deposits	27	14	14
Other mutual security collections	11	8	8

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

TABLE 4.—SUMMARY OF FOREIGN CURRENCY TRANSACTIONS—
U.S. USES—Continued

[In millions of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Collections—Continued			
Other nonloan collections:			
Contributions for support of U.S. forces abroad.....	23		
Surplus property and lend-lease.....	49	27	15
Informational media guarantees.....	4	7	7
Miscellaneous.....	38	69	70
Loan repayments (principal and interest):			
Public Law 480 loans.....	7	17	25
Mutual security loans.....	12	15	23
Subtotal.....	404	418	280
Total availabilities.....	1,067	1,192	1,070
Expenditures:			
Without dollar control.....	38	35	20
With dollar credits to—			
Miscellaneous receipts.....	118	125	108
Commodity Credit Corporation fund, De- partment of Agriculture.....	72	117	120
Informational media guarantee fund, United States Information Agency.....	4	4	4
Acquisition, operation, and maintenance of buildings abroad, Department of State.....	(¹)	6	(¹)
Total expenditures.....	233	287	253
Adjustments due to changes in exchange rates.....	60	115	
Cash balances carried forward:			
Excess countries.....	545	631	694
Nonexcess countries:			
Restricted.....	87	58	43
Unrestricted.....	143	101	79
Subtotal.....	775	790	817
Total expenditures, adjustments, and balances.....	1,067	1,192	1,070

¹ \$500 thousand or less.

Recommendations for 1962.—Most U.S. uses of foreign currencies are covered by unrestricted dollar appropriations under which needed currencies are purchased from the Treasury, if available, and from outside sources, if not. This is the case for the salaries and expenses of departmental programs overseas which use currencies. For those situations where currencies are available in the Treasury in excess of amounts needed for regular appropriations or where there remain unobligated balances of currencies restricted by international agreement or understanding for particular U.S. uses, separate appropriations are proposed for special foreign currency programs.

The Congress approved such special appropriations for the first time for 1961. Table 5 compares the proposed 1962 program with the appropriations approved by Con-

gress for 1961. The foreign currency programs of the United States Information Agency, the Department of Agriculture, and the Department of State were, prior to 1961, carried on without dollar controls. Table 7 indicates the extent of such authorizations to expend foreign currency in 1960.

Table 5.—SPECIAL FOREIGN CURRENCY PROGRAM APPROPRIATIONS—NEW OBLIGATIONAL AUTHORITY 1961-62

[In thousands of dollar equivalents]

	1961 enacted	1962 estimate
National Science Foundation: Salaries and expenses.....		2,000
United States Information Agency:		
Salaries and expenses.....	3,000	8,500
Special international program.....	650	1,250
Department of Agriculture:		
Agricultural Research Service: Salaries and expenses.....	15,131	5,265
Foreign Agricultural Service: Salaries and expenses.....	14,621	3,444
Department of Commerce: National Bureau of Standards: Research and technical services.....		1,000
Department of Health, Education, and Welfare:		
Office of Education: Salaries and expenses.....	31	9
Office of Vocational Rehabilitation: Research and training.....	930	1,372
Public Health Service: Scientific activities overseas.....	3,707	10,084
Social Security Administration: Research and training.....		2,213
Department of the Interior:		
Bureau of Reclamation: General investigations.....		4,500
Bureau of Commercial Fisheries: Management and in- vestigations of resources.....		1,000
Department of State:		
Acquisition, operation, and maintenance of buildings abroad.....	4,500	5,300
International educational exchange activities.....	6,600	8,200
Total.....	49,170	54,137

Table 6 gives the detail by country of the proposed appropriation for the 1962 special foreign currency programs. A total of \$50 million is proposed for use of excess currencies and \$4 million is proposed for use of remaining restricted currencies in nine other countries.

The currencies used to finance the special foreign currency programs are either excess or restricted. The availabilities for these programs, as indicated on table 6, are based entirely on Public Law 480 sales proceeds for U.S. use. The availabilities indicated for excess currencies are estimated on the basis of balances on hand, and anticipated collections from agreements already signed or anticipated during 1962. The availabilities of nonexcess currencies represent balances of restricted currencies which will not be needed to finance special foreign currency program appropriations provided through 1961. Since agreements are no longer being negotiated with restrictions on the U.S. share of the sales proceeds, these nonexcess restricted currency availabilities for 1962 have declined substantially below those of 1961.

SPECIAL ANALYSIS E—Continued
FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Table 6.—SPECIAL FOREIGN CURRENCY PROGRAMS—U.S. USES, 1962

[In thousands of dollar equivalents at Treasury selling rates]

	Total available	National Science Foundation: Salaries and expenses P. 187	United States Information Agency		Department of Agriculture		Department of Commerce: National Bureau of Standards: Research and technical services P. 467
			Salaries and expenses P. 220	Special International program P. 222	Agricultural Research Service: Salaries and expenses P. 343	Foreign Agricultural Service: Salaries and expenses P. 370	
Excess currencies:							
Burma.....	3,340		225		37	40	
India.....	113,060	50	3,810		1,066	977	533
Israel.....	11,790	800	101		1,503	564	405
Pakistan.....	48,412		1,238		455	402	62
Poland.....	238,008	600	374	50	1,025	170	
United Arab Republic (Egypt).....	33,232	50	986	105	406	460	
Yugoslavia.....	17,896	500	965	95	625	174	
Undistributed.....				1,000			
Total, excess currencies.....	465,738	2,000	7,699	1,250	5,117	2,787	1,000
Nonexcess currencies (restricted):							
Argentina.....	7					7	
Colombia.....	840					340	
Greece.....	235						
Japan.....	242						
Korea.....	547		399		148		
Peru.....	100						
Turkey.....	1 2,812		402			260	
United Arab Republic (Syria).....	1,369					50	
Vietnam.....	2 175						
Total, nonexcess currencies.....	6,327		801		148	657	
Total.....	472,065	2,000	8,500	1,250	5,265	3,444	1,000

	Department of Health, Education, and Welfare				Department of the Interior		Department of State		Total
	Office of Education: Salaries and expenses P. 633	Office of Vocational Rehabilitation: Research and training P. 636	Public Health Service: Scientific activities overseas P. 657	Social Security Administration: Research and training P. 678	Bureau of Reclamation: General investigations P. 735	Bureau of Commercial Fisheries: Management and investigations of resources P. 776	Acquisition, operation, and maintenance of buildings abroad P. 858	International educational exchange activities P. 870	
Excess currencies:									
Burma.....		76	479	3			690	451	2,001
India.....		339	2,674	480	893	325	530	1,850	13,527
Israel.....		359	1,541	516	244	225	380	524	7,162
Pakistan.....	4	114	622	239	645	150	635	1,843	6,409
Poland.....		161	2,003	181	1,154	150	350	650	6,868
United Arab Republic (Egypt).....	5	126	945	582	466	150	430	665	5,376
Yugoslavia.....		197	1,820	212	1,098		1,250	725	7,661
Undistributed.....									1,000
Total, excess currencies.....	9	1,372	10,084	2,213	4,500	1,000	4,265	6,708	50,004
Nonexcess currencies (restricted):									
Argentina.....									7
Colombia.....							500		840
Greece.....							235		235
Japan.....								242	242
Korea.....									547
Peru.....								100	100
Turkey.....							300	1,100	2,062
United Arab Republic (Syria).....									50
Vietnam.....								50	50
Total, nonexcess currencies.....							1,035	1,492	4,133
Total.....	9	1,372	10,084	2,213	4,500	1,000	5,300	8,200	54,137

¹ \$750,000 of this amount reserved for future sale to Department of State, special foreign currency program appropriations, authorized by 7 U.S.C. 1704(h).

² \$89,000 of this amount reserved for future sale to Department of State, special foreign currency program appropriations, authorized by 7 U.S.C. 1704(h).

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

In arriving at the proposed 1962 program in tables 5 and 6, eligible agencies were notified which currencies were in excess supply and of the remaining amounts of restricted currencies in each country. They were requested to prepare budget submissions indicating the currencies that could advantageously be used for authorized programs. These submissions were reviewed in a manner similar to the review of regular agency dollar budgets. The country amounts are based on the best information currently available. While some modifications may become necessary, it is not expected that the availability of currencies will permit carrying out programs in countries other than those indicated.

U.S. uses without dollar controls.—Prior to 1961, currencies were allocated for U.S. agency programs under statutory authorizations for use not covered by an appropriation. Unexpended balances under most of these allocations were appropriated as of June 30, 1960, and joined with the 1961 special foreign currency program appropriations for the same purposes. In the case of exports to third countries under the mutual security program and family housing for dependents overseas of the Department of Defense, there was no special foreign currency program appropriation for 1961 and none is proposed for 1962. Unexpended balances of these programs have remained available and will continue to be used during 1962. Table 7 summarizes these foreign currency transactions which are not covered by appropriations. Further details are given in informational tables in the appropriate chapters of the budget.

Table 7.—FOREIGN CURRENCY PROGRAMS WITHOUT DOLLAR CONTROLS—U.S. USES

[In thousands of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Programs:			
1. Mutual security program exports.....	19,563	4,453	-----
2. United States Information Agency.....	5,205	-----	-----
3. Department of Agriculture.....	5,004	-----	-----
4. Department of Defense.....	10,958	2,721	350
5. Department of State.....	8,045	-----	-----
Total obligations.....	48,775	7,174	350
Financing:			
Comparative transfers to other accounts, net.....	2,837	-----	-----
Unobligated balance brought forward (—).....	—54,694	—9,917	930
Recoveries of prior year obligations (—).....	—942	-----	-----
Adjustment due to changes in exchange rates.....	3,107	-----	-----
Unobligated balance carried forward.....	9,917	930	580
Unobligated balance lapsing.....	15,459	1,267	-----
Unobligated balance transferred to appropriations.....	59,608	-----	-----
Dollar value credited to appropriations or funds.....	234	6,388	200
Authorizations to expend foreign currency receipts.....	84,302	5,842	200
Analysis of Expenditures			
Obligated balance brought forward.....	53,768	47,178	19,454
Obligations incurred during year, net.....	51,600	7,174	350
Adjustment of prior year obligations.....	—928	-----	-----
Adjustment due to changes in exchange rates.....	—705	-----	-----
Obligated balance carried forward.....	—47,178	—19,454	—119
Obligated balance transferred to appropriations.....	—18,646	-----	-----
Expenditures.....	37,911	34,898	19,685

Table 7.—FOREIGN CURRENCY PROGRAMS WITHOUT DOLLAR CONTROLS—U.S. USES—Continued

Analysis of Expenditures—Continued
[In thousands of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Expenditures are distributed as follows:			
1. Mutual security program exports.....	4,469	14,697	9,474
2. United States Information Agency.....	1,216	-----	-----
3. Department of Agriculture.....	7,981	26	-----
4. Department of Defense.....	17,020	20,175	10,211
5. Department of State.....	7,235	-----	-----

Country uses.—A far larger amount of foreign currencies are used outside of the appropriations process for loans and grants in the host country. These are country use currencies which are committed by the terms of the sales agreements of surplus agricultural commodities to be used for programs of mutual benefit in agreement with the host country. These purposes include the common defense, economic development, and loans to American and certain foreign private enterprise. In addition, the Development Loan Fund will make a small but increasing amount of foreign currency loans financed from its own repayments of past loans.

The authorizations to expend foreign currencies under Public Law 480 are based on sales agreements and, in some cases, are subject to future collections of currencies. Thus amounts shown in table 8 are not on a cash basis and therefore differ from table 1.

Table 8.—FOREIGN CURRENCY PROGRAMS—COUNTRY USES

[In thousands of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Programs:			
1. Loan and grant programs under Public Law 480:			
Mutual security program.....	239,679	536,252	620,000
Export-Import Bank.....	17,463	67,700	73,100
2. Other programs:			
Mutual security program.....	150,698	142,230	110,000
Development Loan Fund.....	-----	5,000	15,000
Total obligations.....	407,840	751,182	818,100
Financing:			
Unobligated balance brought forward (—).....	—1,172,686	—1,794,651	—2,683,775
Recoveries of prior year obligations (—).....	—141	-----	-----
Adjustment due to changes in exchange rates.....	7,768	-----	-----
Unobligated balance carried forward.....	1,794,651	2,683,775	2,426,138
Dollar value credited to appropriations or funds.....	828	4,087	9,700
Authorizations to expend foreign currency receipts.....	1,038,258	1,644,393	570,163
Analysis of Expenditures			
Obligated balance brought forward.....	616,035	496,591	594,489
Obligations incurred during year, net.....	407,696	751,182	818,100
Adjustment due to changes in exchange rates.....	—5,902	-----	-----
Obligated balance carried forward.....	—496,591	—594,489	—692,756
Expenditures.....	521,239	653,284	719,833

SPECIAL ANALYSIS E—Continued

FOREIGN CURRENCY AVAILABILITIES AND USES—Continued

Table 8.—FOREIGN CURRENCY PROGRAMS—COUNTRY USES—Con.

Analysis of Expenditures—Continued

[In thousands of dollar equivalents]

	1960 actual	1961 estimate	1962 estimate
Expenditures are distributed as follows:			
1. Loan and grant programs under Public Law 480:			
Mutual security program.....	313,814	460,944	540,500
Export-Import Bank.....	20,031	30,840	48,751
2. Other programs:			
Mutual security program.....	187,394	161,500	130,082
Development Loan Fund.....			500

Table 9 provides further detail on the cumulative amounts of foreign currency to be received from the sale of surplus agricultural commodities under title I of Public Law 480 from the inception of the program in 1954 through September 30, 1960. The table also shows the amounts of sales proceeds which are committed by the agreements for grants for the common defense, grants for economic development, loans to American and other private enterprise and loans to the purchasing government. In contrast to the previous tables in this special analysis, the amounts shown are in dollar equivalent at the exchange rates provided in the sales agreements rather than at the Treasury selling rate of June 30, 1960.

Table 9.—CUMULATIVE AVAILABILITIES OF FOREIGN CURRENCIES UNDER PUBLIC LAW 480 WITH DETAILS ON COUNTRY USES

Agreements signed through Sept. 30, 1960

[In thousands of dollar equivalents]

Country	Cumulative value of sales agreements			Country use programs			
	Total	U.S. use	Country use	Common defense assistance grants (sec. 104(e))	Economic development grants (sec. 104(e))	Private enterprise loans (sec. 104(e))	Economic development loans (sec. 104(g))
Argentina.....	64,100	19,350	44,750			8,250	36,500
Austria.....	42,940	16,612	26,328				26,328
Brazil.....	179,920	28,698	151,222	2,000			149,222
Burma.....	40,700	8,150	32,550				32,550
Ceylon.....	26,100	5,640	20,460		4,340	6,540	9,580
Chile.....	46,100	9,770	36,330	100		1,625	34,605
China.....	55,500	14,050	41,450	30,550		8,600	2,300
Colombia.....	70,890	18,360	52,530	80		11,270	41,180
Ecuador.....	10,940	2,570	8,370			710	7,660
Finland.....	44,735	16,116	28,619			3,165	25,454
France.....	57,910	43,921	13,989			13,989	
Germany.....	1,200	1,200					
Greece.....	72,300	20,435	51,865		7,470	3,845	40,550
Iceland.....	10,270	2,131	8,139			765	7,374
India.....	1,345,203	197,086	1,148,117		353,665	110,534	683,918
Indonesia.....	148,300	33,705	114,595		15,900	12,800	85,895
Iran.....	31,229	9,217	22,012	5,763		1,496	14,753
Israel.....	168,554	26,990	141,564		4,200	25,827	111,537
Italy.....	152,900	46,150	106,750			6,250	100,500
Japan.....	150,800	41,250	109,550	700			108,850
Korea.....	165,900	28,640	137,260	135,260		2,000	
Mexico.....	28,200	7,500	20,700			7,100	13,600
Netherlands.....	275						
Pakistan.....	396,870	82,808	314,062	79,366	57,592	41,712	135,392
Paraguay.....	3,000	750	2,250				2,250
Peru.....	37,280	10,683	26,597	100		4,974	21,523
Philippines.....	14,400	5,100	9,300	3,100		1,000	5,200
Poland.....	365,300	365,300					
Portugal.....	7,100	3,700	3,400				3,400
Spain.....	456,130	217,490	238,640	9,910			228,730
Thailand.....	4,600	2,550	2,050				2,050
Turkey.....	232,265	98,204	134,061	63,739		18,230	52,092
United Arab Republic (Egypt).....	198,800	47,950	150,850			37,450	113,400
United Arab Republic (Syria).....	28,200	6,100	22,100			5,200	16,900
United Kingdom.....	48,150	48,150					
Uruguay.....	43,200	10,750	32,450			10,750	21,700
Vietnam.....	13,000	3,297	9,703	6,478		3,225	
Yugoslavia.....	408,530	81,149	327,381		114,290		213,091
Total.....	5,171,791	1,581,797	3,589,994	337,146	557,457	347,307	2,348,084

SPECIAL ANALYSIS F
SELECTED INVESTMENT AND INTERFUND TRANSACTIONS
BY AGENCY AND ACCOUNT TITLE
 [In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
INVESTMENTS AND ISSUANCE OF DEBT TO THE PUBLIC BY PUBLIC ENTERPRISE FUNDS			
Investments in Government securities:			
Independent offices:			
Federal Home Loan Bank Board: Federal Savings and Loan Insurance Corporation fund.....	18,500	37,000	64,000
Tennessee Valley Authority.....	51,289	^a 36,664	5,300
Veterans Administration: Veterans special-term insurance fund.....	18,449	17,387	18,200
Housing and Home Finance Agency:			
Federal National Mortgage Association:			
Special assistance functions fund (debentures issued and redeemed by Federal Housing Administration, net).....	1,907	85	-----
Management and liquidating functions fund (debentures issued and redeemed by Federal Housing Administration, net).....	13,456	4,986	-----
Federal Housing Administration fund.....	62,169	78,914	32,390
Total investments in Government securities.....	165,770	101,708	119,890
Issuance (-) and redemption (+) of debt to the public:			
Independent offices:			
Farm Credit Administration: Federal Farm Mortgage Corporation fund.....	+21	+21	+21
Federal Home Loan Bank Board: Home Owners' Loan Corporation fund.....	+65	+45	+40
Tennessee Valley Authority: Tennessee Valley Authority fund.....	-----	-50,000	-140,000
Housing and Home Finance Agency:			
Federal Housing Administration: Federal Housing Administration fund ¹	-28,412	-62,894	-52,781
Federal National Mortgage Association: Management and liquidating functions fund.....	+6	+797,359	-----
Total issuance (-) and redemption (+) of debt to the public.....	-28,320	+684,531	-192,720
Net increase (-) or decrease (+) in cash balances due to debt and investment transactions of public enterprise funds.....	+137,450	+786,239	-72,830
INVESTMENTS AND ISSUANCE OF DEBT TO THE PUBLIC BY TRUST FUNDS			
Investments in Government securities:			
Legislative branch: Library of Congress trust fund principal accounts.....	^a 16	-----	-----
The judiciary: Judicial survivors annuity fund.....	242	184	195
Independent offices:			
Civil Service Commission:			
Civil service retirement and disability fund.....	868,247	925,000	848,921
Employees health benefits fund.....	-----	9,000	11,000
Employees life insurance fund.....	47,716	49,900	52,996
National Capital Housing Authority: Operation and maintenance, etc.....	^a 2,575	^a 452	500
Railroad Retirement Board: Railroad retirement account.....	264,163	22,233	46,260
Veterans Administration:			
General post fund.....	21	^a 85	-----
National service life insurance fund.....	61,541	102,911	125,000
United States Government life insurance fund.....	^a 20,695	^a 22,040	^a 19,500
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund).....	466	-----	-----
Department of Agriculture: Farmers Home Administration: State rural rehabilitation funds.....	^a 643	^a 73	^a 100
Department of Commerce:			
Bureau of Public Roads: Highway trust fund.....	^a 427,879	56,923	132,500
Maritime activities:			
United States Merchant Marine Academy, donations for chapel and library.....	^a 509	^a 33	-----
Federal ship mortgage insurance escrow fund.....	45,916	^a 21,260	^a 24,300
Department of Defense—Military: Air Force general gift fund.....	5	-----	-----
Department of Health, Education, and Welfare: Public Health Service: Unconditional gift fund.....	70	-----	-----
Department of Labor: Bureau of Employees' Compensation trust funds.....	^a 24	^a 53	^a 54
Department of State: Foreign Service retirement and disability fund.....	2,762	4,522	3,600
Treasury Department:			
Office of the Secretary:			
Federal disability insurance trust fund.....	493,988	319,120	143,474
Federal old-age and survivors insurance trust fund.....	^a 725,582	^a 44,347	^a 412,100
Unemployment trust fund.....	^a 40,907	^a 609,186	^a 174,778
Bureau of Accounts trust funds.....	^a 3,224	^a 382	^a 385
District of Columbia:			
Miscellaneous trust fund deposits.....	-----	9	3
Redevelopment program, Redevelopment Land Agency.....	^a 3,804	639	-----
Teachers' retirement and annuity fund.....	2,002	2,007	2,460
Investment accounts.....	^a 10,699	-----	-----
Total investments or redemptions in Government securities.....	550,584	794,537	735,692

^a Deduct, excess of sales and redemptions over investments.

¹ Includes net issuances of debentures to Federal National Mortgage Association of \$15,363 thousand in 1960 and \$5,071 thousand in 1961.

SPECIAL ANALYSIS F—Continued
SELECTED INVESTMENT AND INTERFUND TRANSACTIONS—Continued
 BY AGENCY AND ACCOUNT TITLE—Continued
 [In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
INVESTMENTS AND ISSUANCE OF DEBT TO THE PUBLIC BY TRUST FUNDS—Continued			
Issuance (–) and redemption (+) of debt to the public:			
Housing and Home Finance Agency: Federal National Mortgage Association: Secondary market operations (trust revolving fund).....	–994,417	–476,738	–720,000
District of Columbia: Stadium fund.....	–380	–19,972	-----
Total issuance (–) and redemption (+) of debt to the public.....	–994,797	–496,710	–720,000
Net decrease (+) or increase (–) in cash balances due to trust fund debt and investment transactions.....	–444,213	+297,827	+15,692
INTERFUND TRANSACTIONS			
Interest paid Treasury by revolving funds:			
Funds appropriated to the President: Expansion of defense production: Interest on loans, Defense Production Act. Executive Office of the President: Office of Civil and Defense Mobilization: Interest on loans to Civil defense program fund.....	34,778	6,607	18,549
Independent offices:	24	27	19
Interest on loans to Export-Import Bank of Washington.....	45,722	42,113	43,000
Interest on loans to Saint Lawrence Seaway Development Corporation.....	2,505	2,700	3,300
Interest on advances to Small Business Administration.....	6,657	15,238	13,513
Interest on loans to Informational media guarantee fund, United States Information Agency.....	414	1,065	459
Interest on loans to Veterans Administration, Direct loans to veterans and reserves.....	23,028	33,000	39,000
Housing and Home Finance Agency:			
Interest on loans to Federal National Mortgage Association:			
Management and liquidating functions.....	29,511	26,500	42,000
Special assistance functions.....	41,239	64,000	72,000
Interest on loans to Housing and Home Finance Agency:			
College housing loans.....	14,405	21,600	25,900
Public facility loans.....	967	1,900	2,700
Urban renewal fund.....	2,514	2,600	2,800
Interest on loans to Public Housing Administration.....	1,332	1,400	1,400
Department of Agriculture:			
Interest on loans to Commodity Credit Corporation.....	464,786	430,000	375,000
Interest on loans to Farm tenant-mortgage insurance fund, Farmers Home Administration.....	1,308	1,550	1,950
Department of Commerce: Interest on loans to Federal ship mortgage insurance fund, maritime activities.....	74	54	54
Department of Defense—Civil: Interest on direct net investment, Panama Canal Company.....	9,423	8,775	8,735
Department of the Interior:			
Interest on advances to Colorado River Dam fund, Boulder Canyon project.....	3,072	3,200	3,200
Interest on advances to Virgin Islands Corporation.....	-----	19	19
Total, interest paid Treasury by revolving funds.....	681,759	662,348	653,598
Other interfund payments:			
Payments by various agencies to General Accounting Office: Fees and other charges for accounting and auditing services.....	743	744	744
Department of Defense—Civil:			
Reimbursement by Panama Canal Company for annuity payment to Republic of Panama under treaty.....	450	430	430
Reimbursement for net cost of operations of Canal Zone Government less tolls on Government vessels.....	10,968	12,444	12,718
Adjustment to monthly Treasury statement.....	53	-----	-----
Total, other interfund payments.....	12,214	13,618	13,892
Total, interfund payments.....	693,973	675,966	667,490
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND			
Legislative branch: Government Printing Office revolving fund: Payment of earnings to Treasury.....	4,351	4,450	4,700
Independent offices:			
Atomic Energy Commission: Defense production guarantees: Payment of earnings to Treasury.....	-----	509	-----
Civil Service Commission: Investigations (revolving fund):			
Payment of earnings to Treasury.....	-----	1	8
Repayment of investment to Treasury.....	7	24	-----
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:			
Payments of earnings to Treasury.....	-----	-----	859
Repayment of investment to Treasury.....	-----	11	1,257
Farm Credit Administration: Federal Farm Mortgage Corporation fund: Payment of earnings to Treasury.....	1,700	1,700	800
Small Business Administration: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury.....	3,400	1,500	900
Tennessee Valley Authority: Power program:			
Payment of earnings to Treasury (return to Treasury on appropriation investment).....	-----	41,432	40,000
Repayment of investment to Treasury.....	-----	10,000	10,000

SPECIAL ANALYSIS F—Continued
SELECTED INVESTMENT AND INTERFUND TRANSACTIONS—Continued
BY AGENCY AND ACCOUNT TITLE—Continued
 [In thousands of dollars]

Description	1960 actual	1961 estimate	1962 estimate
CAPITAL TRANSFERS FROM REVOLVING FUNDS TO THE GENERAL FUND—Continued			
Independent offices—Continued			
Veterans Administration:			
Canteen service revolving fund: Payment of earnings to Treasury.....	465	41	21
Rental, maintenance, and repair of quarters: Payment of earnings to Treasury.....	27	10	5
Supply fund: Payment of earnings to Treasury.....		127	
General Services Administration:			
Real property activities: Buildings management fund: Payment of earnings to Treasury.....	1,100	1,804	1,450
Personal property activities: General supply fund: Payment of earnings to Treasury.....	2,532	1,013	1,397
Defense materials activities: Abaca fiber program: Repayment of investment to Treasury.....	2,200	389	
General activities:			
Federal Facilities Corporation fund: Repayment of investment to Treasury.....	1,600	1,800	1,800
Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury.....	5,450		
Working capital fund: Payment of earnings to Treasury.....	10	7	10
Housing and Home Finance Agency:			
Office of the Administrator:			
Revolving fund (liquidating programs): Repayment of investment to Treasury.....	84,000	90,000	3,000
Community disposal operations fund: Repayment of investment to Treasury.....	8,000	5,000	7,500
Public Housing Administration: Low rent public housing program fund: Payment of earnings to Treasury.....	591	175	160
Department of Commerce:			
General administration:			
Aviation war risk insurance revolving fund: Payment of earnings to Treasury.....		21	
Defense production guarantees: Payment of earnings to Treasury.....	6		
National Bureau of Standards: Working capital fund: Payment of earnings to Treasury.....	248	228	195
Department of Defense—Military:			
Defense housing, Army: Payment of earnings to Treasury.....	450	200	150
Defense housing, Navy: Payment of earnings to Treasury.....	150	300	200
Air Force industrial fund: Payment of earnings to Treasury.....	11,613	1,817	
Department of Health, Education, and Welfare: Social Security Administration: Operating fund, Bureau of Federal Credit Unions: Repayment of investment to Treasury.....	50		
Department of the Interior: Bureau of Reclamation:			
Continuing fund for emergency expenses, Fort Peck project, Montana: Repayment of investment to Treasury.....	1,770	1,506	2,048
Upper Colorado River Basin fund: Payment of earnings to Treasury.....	32	8	10
Department of Justice: Federal Prison Industries, Inc.: Payment of earnings to Treasury.....	3,000	3,000	3,436
Treasury Department: Reconstruction Finance Corporation liquidation fund: Repayment of investment to Treasury.....	15,500	3,975	3,880
Total, capital transfers from revolving funds to the general fund.....	170,752	193,548	106,286

SPECIAL ANALYSIS G

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION

FISCAL YEARS 1953 THROUGH 1962

Based on existing and proposed legislation

[In millions of dollars]

Description	Actual								Estimate	
	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
BUDGET RECEIPTS										
Individual income taxes.....	30,108	29,542	28,747	32,188	35,620	34,724	36,719	40,715	43,300	45,500
Corporation income taxes.....	21,238	21,101	17,861	20,880	21,167	20,074	17,309	21,494	20,400	20,900
Excise taxes.....	9,868	9,945	9,131	9,929	9,055	8,612	8,504	9,137	9,322	9,725
Employment taxes.....	274	283	579	322	328	333	321	339		
Estate and gift taxes.....	881	934	924	1,161	1,365	1,393	1,333	1,606	1,900	1,953
Customs.....	596	542	585	682	735	782	925	1,105	1,083	1,115
Miscellaneous receipts ¹	1,859	2,309	2,562	3,004	2,760	3,200	3,160	4,062	3,695	3,807
Subtotal.....	64,825	64,655	60,390	68,165	71,029	69,117	68,270	78,457	79,700	83,000
Deduct interfund transactions (included in both receipts and expenditures).....	154	235	181	315	467	567	355	694	676	667
Total budget receipts.....	64,671	64,420	60,209	67,850	70,562	68,550	67,915	77,763	79,024	82,333
BUDGET EXPENDITURES										
050 Major national security:										
061 Military defense:²										
Military personnel.....	12,179	11,643	11,403	11,582	11,409	11,611	11,801	11,738	12,143	12,390
Operation and maintenance.....	10,028	9,162	7,931	8,400	9,487	9,761	10,378	10,223	10,400	10,671
Procurement.....	17,297	15,957	12,838	12,227	13,488	14,083	14,409	14,312	13,753	14,372
Research, development, test, and evaluation.....	2,148	2,187	2,261	2,101	2,406	2,504	2,866	3,732	4,148	4,388
Military construction.....	1,937	1,744	1,715	2,079	1,968	1,753	1,948	1,626	1,368	1,327
Revolving and management funds.....	20	-358	-616	-599	-320	-651	-169	-416	-312	-238
Total, military defense (military functions).....	43,611	40,336	35,532	35,791	38,439	39,062	41,233	41,215	41,500	42,910
062 Military assistance.....	3,954	3,629	2,292	2,611	2,352	2,187	2,340	1,609	1,700	1,750
066 Development and control of atomic energy.....	1,791	1,895	1,857	1,651	1,990	2,268	2,541	2,623	2,660	2,680
067 Stockpiling and defense production expansion.....	1,008	1,045	944	588	490	625	312	180	70	52
Total, major national security.....	50,363	46,904	40,626	40,641	43,270	44,142	46,426	45,627	45,930	47,392
150 International affairs and finance:										
151 Conduct of foreign affairs.....	150	130	121	120	157	173	237	219	214	280
152 Economic and financial assistance.....	1,960	1,511	1,960	1,613	1,683	1,910	3,403	1,477	1,934	2,243
153 Foreign information and exchange activities.....	106	91	100	111	133	149	139	137	162	188
Total, international affairs and finance.....	2,216	1,732	2,181	1,843	1,973	2,231	3,780	1,833	2,310	2,712
100 Veterans services and benefits:										
101 Veterans education and training.....	659	546	664	767	774	699	574	383	233	128
102 Other veterans readjustment benefits.....	138	158	150	123	126	168	177	136	131	77
103 Veterans compensation and pensions.....	2,420	2,482	2,681	2,798	2,870	3,104	3,275	3,368	3,605	3,798
104 Veterans insurance and servicemen's indemnities.....	102	100	57	105	47	43	35	33	31	27
105 Veterans hospitals and medical care.....	757	782	727	788	801	856	921	961	1,045	1,091
106 Other veterans services and administration.....	223	188	178	176	175	156	193	179	182	174
Total, veterans services and benefits.....	4,298	4,256	4,457	4,756	4,793	5,026	5,174	5,060	5,227	5,296
200 Labor and welfare:										
211 Labor and manpower.....	281	277	328	475	400	458	844	411	147	72
212 Public assistance.....	1,332	1,439	1,428	1,457	1,558	1,797	1,969	2,061	2,162	2,315
213 Promotion of public health.....	318	290	275	351	469	546	704	818	971	1,094
214 Promotion of education.....	291	274	325	281	292	319	468	569	627	640
215 Promotion of science, research, libraries, and museums.....	34	33	53	56	71	72	119	211	203	251
216 Correctional and penal institutions.....	27	26	28	31	32	34	39	46	49	52
217 Other welfare services and administration.....	143	146	136	169	201	221	279	302	323	334
Total, labor and welfare.....	2,426	2,485	2,575	2,821	3,022	3,447	4,421	4,419	4,483	4,759

¹ Includes taxes not otherwise classified.

² Amounts shown include estimated comparability adjustments not supportable by accounting records.

SPECIAL ANALYSIS G—Continued

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1953 THROUGH 1962—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

Description	Actual								Estimate	
	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
BUDGET EXPENDITURES—Continued										
350 Agriculture and agricultural resources:										
351 Stabilization of farm prices and farm income.....	2,125	1,689	3,486	3,900	3,430	3,151	5,126	3,278	3,264	3,396
352 Financing farm ownership and operation.....	109	256	236	231	227	239	250	246	268	235
353 Financing rural electrification and rural tele- phones.....	239	217	204	217	267	297	315	330	328	340
354 Conservation and development of agricultural land and water resources.....	319	252	290	305	374	448	547	692	741	773
355 Research, and other agricultural services.....	142	142	173	215	227	255	291	293	336	357
Total, agriculture and agricultural resources.....	2,936	2,557	4,388	4,867	4,525	4,389	6,529	4,838	4,936	5,101
400 Natural resources:										
401 Conservation and development of land and water resources.....	1,234	1,056	935	803	925	1,138	1,183	1,235	1,402	1,516
402 Conservation and development of forest re- sources.....	107	117	119	139	163	174	201	220	263	311
403 Conservation and development of mineral re- sources.....	38	37	37	38	62	59	71	65	66	67
404 Conservation and development of fish and wildlife.....	34	38	43	45	51	60	68	68	75	84
405 Recreational use of natural resources.....	30	33	35	44	59	69	86	74	87	101
409 General resource surveys and administration.....	34	35	34	35	38	43	60	51	58	60
Total, natural resources.....	1,477	1,316	1,202	1,105	1,297	1,544	1,669	1,713	1,951	2,138
500 Commerce, housing, and space technology:										
510 Promotion of water transportation.....	455	370	349	420	365	392	436	508	557	621
511 Provision of highways.....	572	586	647	783	40	31	30	38	39	(4) 811
512 Promotion of aviation.....	161	186	179	180	219	315	494	568	727	965
513 Space exploration and flight technology.....	79	90	74	71	76	89	145	401	770	965
514 Postal service.....	659	312	356	463	518	674	774	525	786	63
515 Community development and facilities.....	45	37	56	4	49	78	108	130	184	239
516 Public housing programs.....	29	-401	-115	31	60	51	97	134	153	170
517 Other aids to housing.....	413	-142	270	19	-60	228	1,085	279	313	178
518 Other aids to business.....	-111	-330	-404	-83	59	115	139	95	124	162
519 Regulation of commerce and finance.....	137	45	38	41	45	49	58	58	67	74
520 Civil and defense mobilization.....	53	63	45	58	65	66	46	46	50	81
521 Disaster insurance, loans, and relief.....	12	1	12	43	21	21	8	-1	14	7
Total, commerce, housing, and space tech- nology.....	2,504	817	1,504	2,030	1,455	2,109	3,421	2,782	3,784	3,371
600 General government:										
601 Legislative functions.....	49	49	60	77	90	88	102	109	137	130
602 Judicial functions.....	29	29	31	38	40	44	47	49	53	56
603 Executive direction and management.....	9	8	10	9	9	10	12	12	14	15
604 Central fiscal operations.....	442	449	431	475	476	502	566	558	620	664
605 General property and records management.....	185	155	164	164	194	239	291	367	417	467
606 Central personnel management and employment costs.....	387	93	115	334	627	140	205	211	285	267
607 Civilian weather services.....	28	26	25	34	38	39	46	54	57	66
608 Protective services and alien control.....	147	160	157	188	187	199	216	217	241	247
609 Territories and possessions, and the District of Columbia.....	55	53	67	72	77	75	89	91	123	147
610 Other general government.....	140	213	139	238	51	20	30	28	34	12
Total, general government.....	1,472	1,235	1,199	1,630	1,790	1,359	1,606	1,695	1,982	2,071

⁴ Less than one-half million dollars.

SPECIAL ANALYSIS G—Continued

HISTORICAL COMPARISON OF BUDGET RECEIPTS AND EXPENDITURES BY FUNCTION—Continued

FISCAL YEARS 1953 THROUGH 1962—Continued

Based on existing and proposed legislation—Continued

[In millions of dollars]

Description	Actual								Estimate	
	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962
BUDGET EXPENDITURES—Continued										
650 Interest:										
651 Interest on the public debt.....	6,504	6,382	6,370	6,787	7,244	7,607	7,593	9,180	8,900	8,500
652 Interest on refunds of receipts.....	75	83	62	54	57	74	70	76	83	83
653 Interest on uninvested funds.....	5	5	5	6	6	8	9	10	10	10
Total, interest.....	6,583	6,470	6,438	6,846	7,308	7,689	7,671	9,266	8,993	8,593
Allowance for contingencies.....									25	100
Subtotal.....	74,274	67,772	64,570	66,540	69,433	71,936	80,697	77,233	79,621	81,532
Deduct interfund transactions (included in both receipts and expenditures).....	154	235	181	315	467	567	355	694	676	667
Total budget expenditures.....	74,120	67,537	64,389	66,224	68,966	71,369	80,342	76,539	78,945	80,865
Budget surplus (+) or deficit (—).....	−9,449	−3,117	−4,180	+1,626	+1,596	−2,819	−12,427	+1,224	+79	+1,468
MEMORANDUM										
Capital transfers from revolving funds to the general fund.....	265	364	695	391	225	143	152	171	194	106
Investments of revolving funds in U.S. securities.....	79	−77	126	101	36	91	102	166	102	120

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 account. No major change has been made in the functional categories from the 1961 budget. Although the titles of the major function 500 and subfunctions 152 and 604 have been made more descriptive, their content remains the same.

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